FINANCIAL TIMES

TUESDAY 16 MAY 2023

USA $2.50 Canada C$3.00

China's high-stakes gamble with Taiwan
GIDEON RACHMAN, PAGE 15

Why I am no longer a digital native
STEPHEN BUSH, PAGE 14

Zelenskyy tour
Sunak answers Ukraine's call

Simon Dawson/No 10 Downing Street

Rishi Sunak greets Volodymyr Zelenskyy as he arrives at Chequers, the British prime minister's country residence in Buckinghamshire, England.

The Ukrainian president arrived in the UK as part of a whistle-stop tour of European capitals as he sought to shore up support ahead of his country's anticipated counter-offensive to regain territory occupied by Russia.

Sunak said the UK would provide Kyiv with hundreds of air-defence missiles, including attack drones with a range of more than 200km. Zelenskyy called the UK "a leader when it comes to expanding our capabilities on the ground and in the air".

The Kremlin hit back, saying that Russia took an "extremely negative" view of Britain providing Kyiv with weapons capable of hitting Russian targets beyond the front line.

Sunak pledges weapons page 2

Erdoğan on course to retain power as Turkey election heads for run-off

• Incumbent wins first round • Outcome defies opinion polls • Stocks and currency decline

AYLA JEAN YACKLEY — ISTANBUL
ADAM SAMSON — ANKARA

Turkish leader Recep Tayyip Erdoğan appeared on course to extend his rule into a third decade, as he entered a presidential election run-off after beating his main opponent in the first round.

Following a hard-fought campaign that had raised hopes of an opposition breakthrough, Erdoğan secured 49.5 per cent of votes, well ahead of his rival Kemal Kılıçdaroğlu with 44.9 per cent.

With no candidate securing more than 50 per cent, the Supreme Election Council said Erdoğan and Kılıçdaroğlu would go to a second round of voting on May 28, a run-off contest in which the incumbent is the clear favourite.

As well as building a lead of more than 2mn votes over Kılıçdaroğlu in the presidential race, Erdoğan's rightwing coalition looked set to win an outright majority in Turkey's parliamentary election, bolstering his position in a run-off.

The president appeared confident, singing a pop tune to thousands of flag-waving supporters from his balcony as he declared he was ahead of his rival.

Erdoğan's performance overturned opinion polls that gave Kılıçdaroğlu the lead in the final days of campaigning. "Do not fall into despair," Kılıçdaroğlu said yesterday. "We will stand up and take this election together."

> 'Do not fall into despair. We will stand up and take this election together'
> Kemal Kılıçdaroğlu

The opposition leader has built a broad alliance of centrists, nationalists and conservative parties, with outside support from Turkey's main Kurdish bloc, in his attempt to end what he calls Erdoğan's "one-man rule".

The likelihood that Erdoğan's unorthodox economic policies will continue knocked the Turkey's financial markets, which had rallied last week after the polls gave Kılıçdaroğlu an edge.

The cost to protect against a default on Turkish debt leapt yesterday, with the spread on five-year credit default swaps up more than 100 basis points to 633bp, the highest since November.

Turkey's stock market also fell, with the Bist 100 index off 6.1 per cent. The lira was near a record low. "Markets will be nervous between the first and second rounds, as Erdoğan's economic policies just do not add up," said Timothy Ash at BlueBay Asset Management.

Investors have been fretting over Erdoğan's unorthodox economic policies, including cutting interest rates despite scorching inflation. There are also deep concerns over the country's falling foreign exchange reserves and a boom in special savings accounts that would require the government to pay up if the lira suddenly dropped.

Cost of living pressures, a devastating earthquake that killed more than 50,000 people in February and unhappiness with Erdoğan's authoritarian style of rule had invigorated an opposition that believes it has its best chance yet to wrest control from Turkey's longest-serving leader.

But Erdoğan mobilised his base with a focus on issues such as the opposition's tacit co-operation with a pro-Kurdish party that he accuses of terrorism links, as well as generous wage rises.

Jan Petersen, who led an election observation mission from the Organization for Security and Co-operation in Europe, said while Turks were mostly able to vote freely, Erdoğan enjoyed several unfair advantages.

"Public broadcasters clearly favoured ruling parties and candidates," he said, adding that "the majority of private national TV channels . . . were also clearly biased towards the ruling parties."

Reports & Global Insight page 3
Dimitar Bechev page 15

Briefing

▸ ECB flags slow progress in fight against inflation
Higher interest rates and lower bond purchases will finally start to make progress in reducing inflation this year, the ECB has said.— PAGE 2; FED BATTLE, PAGE 4

▸ Veteran investor returns
James Anderson, the ex-Baillie Gifford partner, is to launch a fund backed by the Agnelli family and chaired by George Osborne, the UK's ex-chancellor.— PAGE 5

▸ Thai coalition talks begin
The head of the Move Forward party has said he is ready to be prime minister and is in talks with other opposition leaders on forming a coalition.— PAGE 4

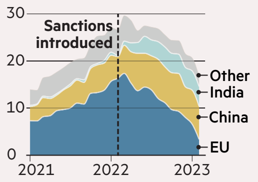
▸ Vice Media agrees sale
The once-feted start-up has filed for bankruptcy before a proposed sale to a consortium of lenders including Fortress and Soros Fund Management.— PAGE 5

▸ Bowles resigns from BAT
Jack Bowles has quit as BAT chief, three weeks after the group agreed to pay a $635mn penalty over breaches of US sanctions on North Korea.— PAGE 6; LEX, PAGE 16

▸ Platinum at record deficit
The platinum trade is expected to post its largest deficit since the 1970s as South African supply falters and China's industrial expansion powers ahead.— PAGE 8

Datawatch

Russian energy
Exports of mineral fuels ($bn)



Source: Bruegel; Data reflects 36 countries that represent about three-quarters of total Russian trade

Russian energy exports to the EU in February this year were just a fifth of the value they were a year before, when sanctions were introduced. Despite a rise in trade with China and India, Russia's exports of mineral fuel have fallen a third.

Rome thinks twice before squandering Covid funds

Italy is wrestling with how to spend the €200bn it secured from EU funds for reviving pandemic-ravaged economies before a June 2026 deadline. Giorgia Meloni's government is set to present Brussels with revised proposals by the end of next month after some of the idiosyncratic uses for the cash planned by municipalities — such as a solar-powered plant for stray animals, a new nativity scene and a racetrack — raised fears over wasteful spending.

Italy rethinks spending ▸ PAGE 2

EU backs $75bn Microsoft-Activision deal despite opposition in US and UK

JAVIER ESPINOZA — BRUSSELS
TIM BRADSHAW — LONDON

EU regulators have given the green light to Microsoft's $75bn acquisition of Activision Blizzard, despite the UK and US's opposition to the gaming industry's biggest-ever deal.

Margrethe Vestager, the EU's competition chief, said yesterday that Microsoft had made concessions to alleviate its concerns, including allowing European consumers who purchase an existing or future Activision game to stream it on all cloud providers for 10 years.

Officials in Brussels took a sharply different view on the cloud-gaming market to the UK, where the regulator deemed Microsoft's concessions insufficient to address fears the deal would cement its dominance of the nascent industry.

Vestager said she was comfortable with arriving at a different conclusion to the UK's Competition and Markets Authority and the US's Federal Trade Commission, which have argued that Microsoft might make Activision's games exclusive to its own cloud-gaming service. "I think it's really important that we own this decision," she said. "We think this is a good remedy and we think it's pro-competitive."

The EU decision to clear the deal removes a big hurdle for Microsoft and Activision, which would become the third-biggest gaming company by revenue, behind China's Tencent and Japan's Sony. However, it remains unclear how the companies will overcome objections from UK and US regulators.

In the UK, Microsoft and Activision are appealing the decision by the CMA, which has sought significant remedies, such as forcing the sale of the *Call of Duty* franchise — a move the companies say would scupper the deal.

James Groves, a regulatory lawyer at Fieldfisher, said that the EU's decision did not have any effect on the deal's position in the UK. "For the merger to progress at present it would somehow have to move ahead in the EU alone, carving out the US and the UK, and it seems extremely unlikely that this would be commercially viable."

Sarah Cardell, chief executive of the CMA, said the concessions accepted by Brussels would "allow Microsoft to set the terms and conditions for this market for the next 10 years".

The tech groups welcomed Brussels' decision. Activision chief Bobby Kotick praised the regulator's "comprehensive understanding of gaming", while Microsoft president Brad Smith said it would "empower millions of consumers".

World Markets

STOCK MARKETS

	May 15	Prev	%chg
S&P 500	4127.60	4124.08	0.09
Nasdaq Composite	12343.75	12284.74	0.48
Dow Jones Ind	33279.43	33300.62	-0.06
FTSEurofirst 300	1846.11	1842.46	0.20
Euro Stoxx 50	4314.92	4317.88	-0.07
FTSE 100	7777.70	7754.62	0.30
FTSE All-Share	4236.96	4224.06	0.31
CAC 40	7418.21	7414.85	0.05
Xetra Dax	15917.24	15913.82	0.02
Nikkei	29626.34	29388.30	0.81
Hang Seng	19971.13	19627.24	1.75
MSCI World $	2809.35	2814.86	-0.20
MSCI EM $	973.00	977.82	-0.49
MSCI ACWI $	649.22	650.70	-0.23
FT Wilshire 2500	5323.22	5333.37	-0.19
FT Wilshire 5000	41490.30	41569.91	-0.19

CURRENCIES

Pair	May 15	Prev	Pair	May 15	Prev
$/€	1.087	1.086	€/$	0.920	0.921
$/£	1.251	1.247	£/$	0.799	0.802
£/€	0.869	0.871	€/£	1.151	1.148
¥/$	136.145	135.305	¥/€	147.929	146.975
¥/£	170.318	168.733	£ index	79.964	80.010
SFr/€	0.973	0.974	SFr/£	1.120	1.119

CRYPTO

	May 15	Prev	%chg
Bitcoin ($)	27503.40	26923.00	2.16
Ethereum	1838.03	1799.89	2.12

COMMODITIES

	May 15	Prev	%chg
Oil WTI $	71.18	70.04	1.63
Oil Brent $	75.34	74.17	1.58
Gold $	2019.90	2015.95	0.20

GOVERNMENT BONDS

Yield (%)	May 15	Prev	Chg
US 2 yr	4.00	3.98	0.02
US 10 yr	3.50	3.46	0.05
US 30 yr	3.83	3.77	0.07
UK 2 yr	3.82	3.80	0.02
UK 10 yr	3.95	3.92	0.03
UK 30 yr	4.20	4.18	0.03
JPN 2 yr	-0.06	-0.05	0.00
JPN 10 yr	0.40	0.38	0.02
JPN 30 yr	1.26	1.25	0.01
GER 2 yr	2.59	2.58	0.02
GER 10 yr	2.31	2.27	0.04
GER 30 yr	2.51	2.46	0.05

Prices are latest for edition
Data provided by Morningstar

Subscribe In print and online

www.ft.com/subsusa
Tel: 1 800 628 8088
For the latest news go to
www.ft.com

© THE FINANCIAL TIMES LTD 2023
No: 41,324 ★

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Tokyo, Hong Kong, Singapore, Seoul, Dubai

20200>
6 14919 00001 5

VISIT…

LANZAROTE Caliente.COM

INTERNATIONAL

Central bank

ECB warns of slow progress to cut inflation

Record rate rises and fewer bond purchases to have peak impact in 2024

MARTIN ARNOLD — FRANKFURT
SAM FLEMING — BRUSSELS

Higher interest rates and lower official bond purchases will only make significant progress in reducing eurozone inflation from this year, the European Central Bank said, underlining why it slowed the pace of rate rises this month.

The ECB has raised interest rates by an unprecedented 3.75 percentage points since July 2022 but there is still a debate about how quickly its tightening will bring down eurozone inflation.

In a paper published yesterday, the ECB said its efforts to push up borrowing costs, which started in December 2021 when it announced plans to stop bond purchases, had cut price growth by half a percentage point last year and predicted this would rise to about 2 percentage points in the next three years.

"This assessment suggests that policy normalisation has exerted significant downward pressure on inflation and real GDP [gross domestic product] growth across the whole of the projection horizon," researchers at the bank said in the paper. "Most of the impact on inflation is expected to be seen . . . from 2023 onward, with that impact peaking in 2024," they said. Growth would also be reduced by an average of 2 percentage points over the next three years.

There was "significant uncertainty" about the results of their model-based simulations, particularly given recent economic shocks from the pandemic, Russia's full-scale invasion of Ukraine and the record pace of its rate rises.

The ECB said there was 'significant uncertainty' about the results of its model-based simulations

Eurozone inflation has fallen from a peak of 10.6 per cent in October to 7 per cent in April but that remains in excess of the ECB's 2 per cent target. The central bank slowed the pace of its rate increases this month, lifting its deposit rate by a quarter of a percentage point to 3.25 per cent and saying it had more ground to cover.

Some of the ECB's more dovish rate-setters have warned it should be cautious about further rate rises as the full effect will show up in 18 to 24 months.

But others worry the power to bring down inflation by raising rates could be diluted by several factors. ECB president Christine Lagarde has said these included banks' reluctance to pass on higher rates to savers, a build-up of excess savings since the pandemic and lower levels of variable-rate mortgages.

The ECB analysis came as Brussels lifted its inflation predictions for this year and next, amid expectations that a robust jobs market and slightly stronger than expected output growth would underpin pricing pressures.

The European Commission raised its forecast for eurozone inflation to 5.8 per cent this year and 2.8 per cent next year, higher than the 5.6 per cent and 2.5 per cent it previously forecast in February.

The commission lifted its growth outlook for the bloc's economy to 1.1 per cent in 2023, marginally higher than the previous 0.9 per cent prediction, accelerating to 1.6 per cent in 2024. It said falling energy costs were likely to help. But core inflation, which excludes food and energy costs, remains "persistently high", said Valdis Dombrovskis, executive vice-president at the commission.

"To keep inflation in check, it is vital to make sure fiscal policy remains prudent, and to maintain the momentum of reforms and investments," he added.

Fed's long battle page 4

President's tour

Sunak pledges more weapons for Ukraine after UK visit by Zelenskyy

GEORGE PARKER AND SARAH PROVAN
LONDON
ROMAN OLEARCHYK — KYIV

UK prime minister Rishi Sunak has promised to send hundreds of attack drones and other military hardware to Ukraine after face-to-face talks with President Volodymyr Zelenskyy yesterday.

The Ukrainian president arrived in Britain after visiting other European capitals over the weekend as he sought to shore up support ahead of an expected counter-offensive by the country's military to take back territory occupied by Russian forces.

Dmitry Peskov, spokesman for Russian president Vladimir Putin, told journalists the Kremlin took an "extremely negative" view of Britain providing Kyiv with weapons capable of hitting Russian targets well behind the front line.

Sunak said it was "very interesting" to hear from the Kremlin but said the UK was "not going away" and that Britain was "here for the long term".

In a tweet before the meeting, Zelenskyy said: "The UK is a leader when it comes to expanding our capabilities on the ground and in the air. This co-operation will continue today."

After the talks, he was asked whether Ukraine was waiting for more weaponry before starting its counter-offensive.

"We really need some more time," he said. "Not too much. We will be ready in some time."

Sunak confirmed the provision of hundreds of air-defence missiles and more unmanned aerial systems, including hundreds of unspecified attack drones with a range of more than 200km — a weapon system that is not known to be in use with the British military.

The promise of further weapons for both defensive and offensive purposes came after the UK announced last week that it had provided Storm Shadow stand-off weapons to Ukraine, the first long-range cruise missile in Kyiv's arsenal.

Downing Street said the extra weaponry would be provided over the "coming months".

Sunak hosted the Ukrainian leader at Chequers, the prime minister's country retreat just outside London.

Zelenskyy renewed his plea for western-built combat aircraft and said he wanted to create a "jet coalition" among allied countries because "we can't control the sky".

The UK has previously said it would provide pilot training but Downing Street said yesterday it would not be sending jet fighters to Ukraine.

Kyiv favours the US-built F-16 jet, which is widely operated by Nato and other air forces, although not by the UK. Washington has so far ruled out supplying the aircraft.

The UK provided £2.3bn worth of military support to Ukraine last year and was the first country to offer to supply main battle tanks.

Before arriving in the UK, Zelensky had travelled to Rome, Berlin and Paris over the weekend to hold talks with Italian, German and French leaders and received further pledges of military aid.

See The FT View

Economic renewal. Worthy projects

Italy rethinks spending of €200bn in Covid funds

Rome fears inappropriate use of money, including for a golf course and new nativity scene

AMY KAZMIN AND GIULIANA RICOZZI
ROME

Rome: members of government privately bemoan the quality of some Covid fund projects. Below, Giorgia Meloni
Massimo Percossi/EPA-EFE

Italy is overhauling how it will spend €200bn of the EU's Covid-19 recovery funds as it tries to avoid squandering cash on wasteful projects or even worse, failing to spend the money in time.

"It is fundamental to correctly use this money," a senior Italian official told the Financial Times. "This is an important opportunity for Europe and our country."

After winning the largest share of the EU's funds to re-energise economies after Covid, Italy has struggled to find worthy projects that it can execute by the June 2026 deadline.

The official said Rome planned to present a revised plan to the EU by the end of June, after already axing €148.5mn of bids for stadium projects in Florence and Venice, following objections from Brussels.

Italy's current plan includes €25bn of investment for railway lines, €15bn for new health clinics and other medical infrastructure, €4.3bn to replace leaky water pipes and develop water storage capacity, and billions more to build nurseries, modernise schools and rejuvenate decaying urban areas.

But much of the money is also being directed to municipalities, some of which have idiosyncratic ideas of how to spend in the name of urban renewal and social inclusion. Members of Prime Minister Giorgia Meloni's government have privately bemoaned the quality of the proposed municipal projects, and many may now be reconsidered.

In Foligno, a small town in central Italy with 55,000 residents, mayor Stefano Zuccarini plans to use €1mn to build a new solar-powered health facility for stray dogs and cats.

"We will ensure health and a much higher quality of life for animals," said Zuccarini, whose 2019 election campaign platform included pledges on animal welfare and protection. "We want to treat our animals well, making sure they have a decent life and proper care."

The Sicilian town of Marsala wants to spend €800,000 to finish a horse racetrack started 30 years ago and never completed.

Macerata in central Italy, which lies just 315 metres above sea level, considered building an artificial ski slope but abandoned the idea after a local outcry. Cavriglia in Tuscany has allocated €4mn to renovate the local golf course.

Tiny villages, some with just a few hundred residents, are scheduled to get funding for local initiatives. The southern town of Panettieri plans to use €125,000 for a new Christmas nativity scene, while the northern mountain village of Exilles — with a population of 242 — is set to receive €200,000 to renovate a grappa museum.

Italy's share of grants and loans from the recovery fund is supposed to be used to strengthen its infrastructure, reduce social inequality and raise the country's long-term growth trajectory to make its debt more sustainable.

But potential waste is not Rome's only concern. Raffaele Fitto, the cabinet minister entrusted with overseeing the programme, has warned Italy will struggle to use all its allocated funds by the June 2026 deadline without major changes. As an example, he noted Italy would probably miss its June 30 target to complete the tendering for €4bn worth of new childcare facilities.

Italy's Court of Auditors, which is independently tracking the execution of the plan, has also warned the country is lagging behind on other key targets for June 30, including the rollout of electric-vehicle charging stations, raising a "real risk" of Italy losing out on some funding.

"It's clear today that the plan needs to be revised," Fitto told Italy's Senate last month. "It's necessary to immediately understand which of these projects can be improved and which won't be achieved."

'It's necessary to find and correct the problems today, so tomorrow we can quickly carry out spending and reforms'

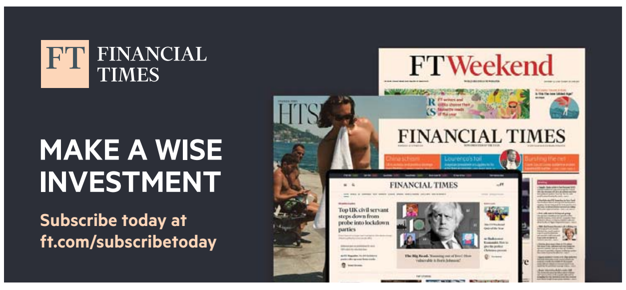
With labyrinthine bureaucracy and weak local administrative capacity, Italy has historically struggled to use money from Brussels, spending just 34 per cent of the €126bn in EU cohesion funds available to it from 2014 to 2020.

But Fitto does not want to repeat that performance. "The goal we have is very obvious: spend the money of the whole programme," he told the Senate. "To reach this objective, it's necessary to find and correct the problems today, so that tomorrow . . . we can quickly carry out spending and reforms."

While opposition parties have criticised Meloni's government, some analysts have said the plan was flawed from the start. "It was not well designed," said Luciano Monti, a professor at Luiss University who has studied the plan.

"They had this idea to build and build things. They put too much money in hard infrastructure. Nobody would be able to spend all this money in the short period just for physical works."

Napoli's rise see Companies



FINANCIAL TIMES
330 Hudson Street,
New York, NY 10013

Subscriptions and Customer Service
Tel: +1 800 628 8088
uscirculation@ft.com, www.ft.com/subsusa
Advertising
Tel: +1 917 551 5040
usads@ft.com
Letters to the editor
letters.editor@ft.com
Executive appointments
www.exec-appointments.com

Published by
F.T. Publications Inc.
330 Hudson St, New York,
NY 10013, USA;
Tel: +1 917-551-5000;
Editor: Roula Khalaf

Printed by
Blue Island Newspaper Printing, Harvey, IL
Evergreen Printing Company, Bellmawr, NJ
Bay Area Production Services, Fremont, CA

Published daily except Sundays, New Year's Day, Good Friday, Independence Day, Thanksgiving, the day after Thanksgiving, Christmas Day and the day after Christmas Day.

US subscription rates, 1 year $406. Periodicals postage paid at New York, NY and at additional mailing offices; Post-Master. Send address changes to F.T. Publications Inc., PO Box 469, Newburgh, NY 12551; USPS number, 190640; ISSN# 0884-6782.

© Copyright The Financial Times Limited 2023.
All rights reserved.
Reproduction of the contents of this newspaper in any manner is not permitted without the publisher's prior consent. 'Financial Times' and 'FT' are registered trade marks of The Financial Times Limited. The Financial Times and its journalism are subject to a self-regulation regime under the FT Editorial Code of Practice:
www.ft.com/editorialcode

Reprints are available of any FT article with your company logo or contact details inserted if required (minimum order 100 copies). One-off copyright licences for reproduction of FT articles are also available.
For both services phone +44 20 7873 4816, or alternatively, email syndication@ft.com

Communications

EU plans Black Sea internet cable to reduce reliance on Russia

ALEXANDRA HEAL AND ANNA GROSS
LONDON

The EU is planning an undersea internet cable to improve connectivity to Georgia and reduce dependence on lines running through Russia, amid concerns about vulnerabilities to infrastructure transmitting global data.

The €45mn cable will link EU member states to the Caucasus via international waters in the Black Sea, stretching 1,100km. The project aims to reduce the region's "dependency on terrestrial fibre-optic connectivity transiting via Russia", the European Commission said in a policy document.

The EU and Georgia jointly identified the need for the Black Sea internet cable in 2021 to improve Georgia's digital connectivity. However, the war in Ukraine has added impetus to the project, given the need to avoid relying on "connections that are not secure or stable", said a person with knowledge of the proposal.

Internet cables have come under scrutiny because of global concerns on espionage, as land-based lines and the stations where submarine cables come ashore are seen as vulnerable to interception by governments, hackers and thieves.

Concerns about intentional sabotage of undersea cables and other maritime infrastructure have also grown since multiple explosions on the Nord Stream gas pipelines last September. Two cables off Norway were cut in 2021 and 2022.

Reinhard Bütikofer, MEP and chair of the European parliament's delegation on China, said Russia had signalled its willingness to target sensitive infrastructure. "From a Russian point of view, if they want to inflict damage to the EU, targeting infrastructure projects would be an option for a regime that pays absolutely no respect to international law," he said.

About 99 per cent of intercontinental internet traffic — data, messages, emails and video calls — is transmitted via more than 400 submarine cables that extend for 1.4mn km. Russia is one of multiple routes through which data packages move between Asia and Europe and is integral to connectivity in some parts of Asia and the Caucasus, which has sparked concern from some politicians about an over-reliance.

David McAllister, MEP and chair of the European parliament's foreign affairs committee, said the Black Sea cable was a "flagship project" and a regional priority for the bloc given that "without [internet cables] there would be no video conferencing, no research co-operation and no Netflix" and "the Russians know this, too".

Questions about the feasibility and timeline of the project remain, particularly as Russia continues to use its warships in the Black Sea to fire missiles at Ukraine and had blockaded ports last year.

Reinhard Bütikofer: Russia 'pays no respect to international law'

Global tensions over physical infrastructure are not limited to concerns about Russia. China has begun to impede projects to lay and maintain subsea internet cables through the South China Sea as Beijing seeks to assert more control over the infrastructure. Industry insiders say several countries have become more defensive of their territorial waters.

Taiwanese authorities recently blamed Chinese fishing and cargo vessels for severing two internet cables connecting Taiwan's main island to one of its smaller islands. Most cable damage is accidental and usually caused by fishing equipment or anchors.

The Black Sea cable project is part of the European Commission's Global Gateway initiative. It aims to offer developing countries an alternative to Beijing's strategic funding of physical and digital infrastructure around the world, known as the Belt and Road Initiative and Digital Silk Road, respectively.

The European Investment Bank has proposed a €20mn grant for the Black Sea cable project.

The project is in the feasibility assessment stage and bidding is not yet open.

INTERNATIONAL

Turkey vote prompts bout of soul-searching by opposition

Coalition had wind in its sails but faces struggle after Erdoğan's support holds up

On front foot: supporters of President Recep Tayyip Erdoğan gather in front of Justice and Development party headquarters in Istanbul after the polls closed

Ozan Kose/AFP/Getty Images

ADAM SAMSON — ANKARA
AYLA JEAN YACKLEY — ISTANBUL

Flush with confidence that victory against Recep Tayyip Erdoğan was finally within reach, Turkey's main opposition candidate, Kemal Kılıçdaroğlu, called on voters to "finish it" in the first round.

But rather than ending Erdoğan's two-decade-long rule, the tally from Sunday's presidential election has triggered soul-searching in the opposition's camp.

While the opposition denied Erdoğan a first-round victory, the outcome still presents Kılıçdaroğlu with one of the worst-case scenarios ahead of an election that has been portrayed by both main candidates as a battle for Turkey's future.

Erdoğan in the early hours of yesterday could not resist crowing about his lead and poking fun at Kılıçdaroğlu, whose campaign videos shot from his kitchen table had helped him surge in pre-election opinion polls.

"Some are in the kitchen," Erdoğan boomed to a crowd of supporters. "We're on the balcony."

Opposition parties have a history of overestimating popular support against Erdoğan. But Kılıçdaroğlu's six-party alliance came into Sunday's vote with wind in its sails after respected surveys indicated he could take half the ballot.

But when the votes were counted, it was Erdoğan who was within less than 1 percentage point of the 50 per cent needed to win outright, with Kılıçdaroğlu trailing on about 45 per cent.

"For Kılıçdaroğlu it's going to be a bit of an uphill struggle," said Wolfango Piccoli, co-president of the Teneo consultancy, adding that the opposition leader was "going to be on his back foot" as he campaigned against Erdoğan ahead of the second round on May 28.

Erdoğan not only emerged in pole position in the presidential race but is also set to deliver a win for his parliamentary alliance, with a coalition composed of his Justice and Development party (AKP) and the ultranationalist Nationalist Movement party (MHP) poised to hold a majority.

Emre Erdoğan, a professor of political science at Istanbul Bilgi University, said that "a run-off greatly complicates things for the opposition". He said "the lack of a majority in parliament will work against Kiliçdaroğlu" since Erdoğan would be able to argue that voting for him will ensure stability in a country that has a long-held aversion to coalition governments.

The poll-defying performance underlined the enduring appeal of the president and the resonance of his political offer to a base of conservative, pious voters with a strong nationalist bent.

Erdoğan also used the full apparatus of the state to knock his opposition off stride, doling out handouts such as public sector wage rises and a month of free gas for households in the weeks leading up to Sunday's poll.

The opposition coalition had been brimming with energy after polls closed on Sunday evening, and it was quick to accuse state media of "deceiving" the nation by allegedly reporting the results from Erdoğan strongholds first. But Kılıçdaroğlu's team had conceded by early yesterday morning that Turkey was set for a second-round contest.

Voter fatigue could now become a serious issue for the opposition. Ercan Erguzel, an analyst at Barclays in London, said: "Opposition voters may lose motivation following worse than expected results both on the parliamentary and presidential elections." He added that the provisional results suggest Turkey's "political landscape will remain roughly unchanged".

Kılıçdaroğlu struggled to forge his six-party alliance, made up of groups with widely divergent views. He also faced serious challenges from within the opposition itself as to whether he was the right candidate to go up against Erdoğan, given he had led the Republican People's party (CHP), Turkey's leading opposition party, for 13 years without a victory on the national stage.

Meral Akşener, head of the İyi parti, which is the second-biggest group in the "table of six" alliance, publicly rejected his appointment as the coalition's candidate in March and only backed down once it was agreed the popular mayors of Istanbul and Ankara would be vice-presidential candidates. Now, some opposition supporters worry the bond between the parties could fracture.

The second-round election may come down to which candidate can take the roughly 5 per cent of the vote won by Sinan Oğan, a third-party candidate who split from the MHP and ran for president under his own banner.

Oğan declined on Sunday to say who he would back in a run-off election, leaving a vacuum that both of the remaining candidates will rush to fill.

"Turkish nationalists and Ataturkists will determine the second round's outcome. I will absolutely not say which side we will support at this time," Oğan said, making an allusion to Mustafa Kemal Atatürk, who founded Turkey as an ultra-secular state a century ago.

Oğan made demands that would be hard for both Erdoğan and Kılıçdaroğlu to meet. His conditions, for example, included "saving Turkey from the nonsense that interest rates cause inflation" — an unconventional stance that is central to Erdoğan's economic policies.

Oğan told Germany's Der Spiegel newspaper he would back Kılıçdaroğlu only if he renounced the pro-Kurdish Peoples' Democratic party (HDP), a group that has backed the opposition leader in the election.

Bilgi University's Erdoğan said Oğan's antipathy to the HDP made it harder for him to do a deal with the opposition. "Kurds were a major factor in Kiliçdaroğlu's performance, and he will still need them in the second round."

"Erdoğan is more likely than Kiliçdaroğlu to negotiate with Oğan. He's the head of a rightwing alliance that can agree to Oğan's demands and he has a history of very pragmatic dealmaking in order to win an election."

See Markets Insight and Opinion

Markets
Investors nervous ahead of poll result

The cost of buying insurance against default on Turkish bonds shot up to its highest level since November yesterday on signs that Recep Tayyip Erdoğan was on course to clinch the presidential election.

The "spread" on five-year credit default swaps jumped more than 100 basis points to 607bp yesterday morning, the biggest single-day move since March 2021.

Investors warned of bigger swings to come. "So far, everyone is in wait-and-see mode. No one really knows how the market will react," said Cagri Kutman, Turkish markets specialist at KNG Securities. "If Erdoğan stays in power, most likely we will see CDS trade at 750bp or more."

Leading up to the vote, Turkish markets had rallied as Erdoğan's rival Kemal Kılıçdaroğlu, ahead in the polls, had vowed to undertake reforms to lure back foreign capital.

But as Turkish markets opened yesterday, Erdoğan, pictured, was well ahead, and is viewed as favourite to win a second round on May 28. Yields on Turkey's benchmark 10-year dollar-denominated bonds jumped 0.97 percentage points to 9.25 per cent, its highest level since March. Yields rise when prices fall.

The currency was more muted after state banks sold dollars to support it. The lira was down 0.2 per cent against the dollar to TL19.66.

Timothy Ash of BlueBay Asset Management, a veteran Turkey watcher, said the government would fight to hold the lira steady until the second round but would struggle to do so for much longer.

"The battlefield will be the lira," he said. "Erdoğan doesn't want to raise interest rates, Turkey has a big demand for dollars and they don't have a lot of reserves."

Ash forecast that if Kılıçdaroğlu won the presidency, the lira would still fall to about TL25 against the dollar owing to unmet demand. With an Erdoğan victory, he expected it to fall quickly to between TL25 and TL30 to the dollar.

Turkey's Bist 100 stock index initially dropped 6.4 per cent before recovering to trade 3.1 per cent lower by midday local time. *Mary McDougall, George Steer and Jonathan Wheatley*

GLOBAL INSIGHT
TURKEY

Andrew England

Kılıçdaroğlu fails to deliver knockout blow and loses momentum

If Recep Tayyip Erdoğan was rattled by the knife-edged nature of Turkey's pivotal elections, he did not show it when he addressed fervent supporters in the early hours of yesterday morning. Instead, as he took to the balcony of the headquarters of his Justice and Development party (AKP) in Ankara, singing with the flag-waving crowds and delivering a fiery speech, he insisted he would seal victory, whether it meant the presidential race going to a second round or not.

His energy and confidence underscored the task facing an opposition that went into Sunday's election brimming with optimism. While it landed a blow on its nemesis, it appears some distance from delivering the knockout punch against a relentless campaigner who has towered over Turkish politics for two decades.

Preventing the incumbent from securing an outright victory was a first for the opposition, led by Kemal Kılıçdaroğlu, who heads the Republican People's party, which has never won a national election against Erdoğan. But everything points to the momentum being in Erdoğan's favour in the second round of voting.

The challenge facing Kılıçdaroğlu's six-party opposition coalition is underscored by the fact that Erdoğan's ruling AKP, with its ultranationalist partner, is on course to secure a majority in parliament. That is expected to strengthen Erdoğan's hand ahead of the run-off. He could tap into voters' concerns about weak government and political instability, all when Turkey is reeling from a cost of living crisis that many blame on a president who is populist and divisive in equal measure.

To some, the results will have worrying echoes of 2018, when an opposition confidently expected that economic woes would help it bring down the president, only to come a distant second.

> The surprise kingmaker could be Sinan Oğan, who garnered about 5% of the vote

The battle is entering uncharted territory as the race to secure the country's all-powerful executive presidency goes to a second round, scheduled for May 28. But Erdoğan, who has orchestrated a dozen election victories since first leading his Islamist-rooted AKP to power in 2002, is clearly up for the fight.

Shortly after Erdoğan's late-night balcony appearance, Kılıçdaroğlu, a soft-spoken retired bureaucrat, struck a defiant tone, saying he, too, was confident of securing victory in a run-off. But the setting was an auditorium filled with empty seats. He and his allies know they are competing on an unlevel playing field, with the government in control of much of the media and Erdoğan unabashedly willing to deploy state resources to support his cause.

The surprise kingmaker could be Sinan Oğan, a third presidential candidate who unexpectedly garnered about 5 per cent of the vote. Oğan is a former member of the ultranationalist Nationalist Movement party, the AKP's partner in parliament. Kılıçdaroğlu's efforts to lure his supporters could be complicated by Oğan's loathing of the Kurdish-dominated Peoples' Democratic party, which is backing the opposition leader's bid for the presidency.

Erdoğan and his supporters will continue to insist he is the only man with the experience to fix the economy and rebuild after February's devastating earthquake.

During the campaign, the shrewd and pugnacious 69-year-old's speeches were replete with diatribes against Kılıçdaroğlu, whom he accused of preparing to surrender to the IMF, being a "drunkard", pro-LBGT and aligning with "terrorists". More of the same can be expected.

Kılıçdaroğlu will hammer away at the cost of living crisis, with inflation soaring above 40 per cent and the lira near record lows. But his challenge will be energising his weary troops, while convincing wavering voters that the president no longer represents their interests.

Even in opposition circles there have been doubts about whether Kılıçdaroğlu, 74, has the charisma to take on Turkey's political master and questions over whether the coalition would have been wiser to select a younger candidate, notably Ekrem İmamoğlu, Istanbul's popular mayor. There is no doubt Erdoğan is in the fight of his political life. But once again he is proving he should never be written off.

andrew.england@ft.com

Economic dependency

Russian PM to attend business forum in China

MAX SEDDON AND ANASTASIA STOGNEI
RIGA

Russian prime minister Mikhail Mishustin is to head a delegation to a business forum in China next week as Moscow's economic dependency on Beijing grows, more than a year into its full-scale invasion of Ukraine.

Mishustin and top energy official Alexander Novak, who are under western sanctions over the invasion, will be the most prominent Russian figures at the Russia-China Business Forum in Shanghai on May 23, according to people familiar with the matter. A spokesperson for Mishustin did not respond to a request for comment.

State company officials such as Sberbank's Herman Gref, VTB's Andrei Kostin and Rostelecom's Mikhail Oseevsky, who are also sanctioned, plan to attend, they added, as do businessmen from Russian industrial companies.

A list of people applying for visas to attend the forum includes agricultural billionaires Andrei Guryev and Vadim Moshkovich, who are sanctioned, as well as Russia's richest woman, the ecommerce billionaire Tatiana Bakalchuk, who is not. They did not immediately respond to requests for comment.

The event is expected to underscore China's growing support for President Vladimir Putin after western nations passed sweeping sanctions in response to the invasion that cut Russia off from global markets and supply chains.

A draft programme for the forum, seen by the Financial Times, outlines Russia and China's plans to ramp up economic co-operation in areas from agriculture and transport to energy, industry and technology.

Russia's bilateral trade with China hit $190bn in 2022, a new record, and grew 39 per cent year on year to $54bn in the first quarter of this year. The renminbi has also taken on an increasing role in Russia's payments after western sanctions left it largely unable to use the US dollar.

China's leader, Xi Jinping, made a state visit to Moscow in March just days after the International Criminal Court issued an arrest warrant for Putin on war crimes charges — a strong sign Russia continues to enjoy Beijing's backing.

China has helped keep Russia's economy afloat by raising purchases of its oil, while Chinese companies have stepped in to replace western suppliers or procure sanctioned western-made components for Russian companies on the black market.

But Xi's visit also highlighted the extent to which Russia's economic reliance on China has made it the junior partner in the relationship. Xi's two-day summit with Putin yielded no major agreements and conspicuously failed to make visible progress on finalising the Power of Siberia-2 pipeline, which Russia hopes will help reroute some of the gas exports it no longer sends to Europe.

The visit will be the first trip to China for Mishustin, who became Russia's prime minister shortly before the Covid-19 pandemic began in 2020.

Bloomberg News first reported on Mishustin's planned trip.

Germany

Greens suffer worst election result since 1999

OLAF STORBECK — FRANKFURT

Germany's Green party has suffered its worst electoral defeat in a regional election since teaming up with the Social Democrats (SPD) and the Free Liberals (FDP) in a coalition in 2021.

Support for the party in the city state of Bremen fell to the lowest in more than 20 years, slumping to 12 per cent in the estimated result of the votes. That compared with 17.4 per cent at the previous state election in 2019 and was the worst result since 1999, when the party received 8.9 per cent.

The poor results may worsen a crisis in the Green party in Germany, which has been hit by a public outcry over plans to phase out fossil fuel heating in private homes earlier than previously planned. It has also been damaged by allegations of nepotism against an ally of Robert Habeck, the Green economics minister and one of the country's most popular politicians.

Habeck's state secretary Patrick Graichen has been under fire domestically over the selection of a friend, who was best man at his wedding, as the new head of the German energy agency. Graichen was part of the selection committee and failed to disclose his close relationship to the winning candidate.

Habeck and Graichen apologised for a "mistake" and restarted the selection process.

Maike Schaefer, the Green's lead candidate in Bremen, told ARD television that the result was "disappointing and bitter", adding that it would lead to consequences in the party.

Under fire: Green politician Robert Habeck, right, with Patrick Graichen

Bremen is Germany's smallest state with just 680,000 inhabitants. It is historically an SPD stronghold, with the party having led the government continuously since 1946. In 2019, the conservative CDU became the strongest party for the first time, but the SPD led a coalition with the Greens and the hard-left Die Linke party, which is on track to receive enough seats in parliament to continue.

The SPD gained five percentage points to 30.1 per cent compared with 2019 and ousted the CDU as the largest party again. The CDU slipped to 25 per cent. Die Linke received 11.1 per cent of the votes, down slightly. The pro-business FDP also slipped back to 5.2 per cent, just passing the 5 per cent threshold required to be represented in parliament.

Germany's far-right Alternative für Deutschland did not participate in the election on procedural grounds. A local populist protest party called Bürger in Wut (Angry citizen) received 9.7 per cent of the vote.

INTERNATIONAL

South-east Asia

Thai opposition in coalition talks after poll

Progressives and party led by Paetongtarn Shinawatra push to replace military

ELI MEIXLER — HONG KONG

The head of Thai opposition party Move Forward has said he is ready to be prime minister and is in talks with other opposition leaders about forming a coalition after voters on Sunday delivered a rebuke to the military rulers.

The progressive Move Forward party is expected to have 151 seats in the 500-seat lower house, based on preliminary results from the Election Commission. The Pheu Thai party, for two decades the country's biggest opposition force, is projected to have won 141 seats.

Pita Limjaroenrat, the Harvard- and Massachusetts Institute of Technology-educated leader of Move Forward, said yesterday he was in talks with opposition parties about an alliance. He tweeted on Sunday he was "ready" to be prime minister. "We believe that the Thailand that we love can be better. Change is possible," he said.

His party is expected to begin coalition talks with Pheu Thai, led by Paetongtarn Shinawatra, the youngest daughter of telecoms magnate and populist former premier Thaksin Shinawatra, whose elected government was overthrown in a military coup in 2006.

But after a decade of coups, crackdowns and political turmoil, it remains unclear if either opposition party will be able to lead the next government. The military maintains a big advantage under the 2017 constitution, which allows a 250-member junta-appointed Senate to vote alongside the 500-seat elected lower house for a premier.

This creates a threshold of at least 376 seats for the opposition to secure its own prime minister and form a government. It may take weeks for final results to show if this is achievable.

Move Forward's success in its second nationwide poll reflects a backlash against Thailand's deeply conservative royalist-military establishment as well as the party's popularity among urban and young voters following anti-monarchy protests in 2020.

The party's supporters "have grown up in a time of political polarisation marked by protests, coups and crackdowns", said Napon Jatusripitak, a research fellow at the Singapore-based Iseas-Yusof Ishak Institute.

Pheu Thai, which had won every election since 2001, remains popular across the rural north-east, where Thaksin's anti-poverty policies are remembered fondly. Military-aligned parties were handed a sweeping defeat, with the United Thai Nation party, a vehicle for incumbent prime minister Prayuth Chan-ocha, receiving only 36 constituency seats. The ruling Palang Pracharath party, led by Prayuth's deputy Prawit Wongsuwan following a schism within the government, had 40 seats.

Prayuth, a former military chief who seized power in 2014 by deposing Thaksin's sister, Yingluck Shinawatra, has been denounced for repressing civil liberties and crushing the 2020 protests. On Sunday, he said he "respects democracy and the election".

One possible kingmaker is the regional Bhumjaithai party, which came third with 12.7 per cent of the vote, enough for 71 constituency seats.

There is also the risk of either a military takeover or judicial intervention to disqualify opposition candidates.

Belarus leader

Lukashenko reappears following reports of hospital stay

RAPHAEL MINDER AND MAX SEDDON

Alexander Lukashenko has reappeared for the first time in nearly a week after struggling during a visit to Moscow in which he skipped a breakfast hosted by Russian president Vladimir Putin, prompting unconfirmed reports that the Belarus leader was in hospital.

Lukashenko's press service released a video yesterday of the Belarusian president dressed in military garb and discussing recent incidents in Russia involving the shooting down of helicopters and fighter jets.

As he told officials Belarus's armed forces had been on "high alert" since the incident, the moustachioed former collective farm boss sounded hoarse and was wearing a bandage on his left arm — whereas he had been pictured wearing one on his right arm during the parade in Moscow last week.

The Belarus government has not commented on Lukashenko's health or given any indication about the reasons for his rare spell out of public view.

The absences and public silence are highly out of character for a president who has ruled Belarus with an iron fist for almost three decades and rarely misses a chance to hold forth in public.

Lukashenko, 68, missed an annual ceremony in Minsk on Sunday where allegiance to the former Soviet state's flag is celebrated. Prime Minister Roman Golovchenko read out a message on the president's behalf.

Lukashenko last week cut short his participation in the Victory Day events in Moscow marking the Soviet Union's victory in the second world war, during which Putin vowed to continue the conflict in Ukraine.

Later that day, Lukashenko laid a wreath but otherwise stood silently in the background during Victory Day festivities back home in Minsk.

Konstantin Zatulin, a senior Russian lawmaker and deputy chair of the lower house's former USSR committee, told Russian media on Sunday that Lukashenko was unwell. "There's nothing supernatural there, it's not Covid. The man just got sick," Zatulin said, according to Podyom, a channel on social media app Telegram. "But even though the man got sick, he thought it was a matter of duty to come to Moscow and then hold events in Minsk later that same day. He probably just needs a bit of rest. That's all there is to it."

Lukashenko was taken to a hospital near Belarus's capital on Saturday evening, according to Euroradio and other independent Belarusian news outlets that did not cite their sources. The news has not been confirmed by the country's state media.

Dmitry Peskov, Putin's spokesman, told reporters to "take your cue from official information" and did not comment on Lukashenko's health directly.

Lukashenko has run Belarus since 1994 when he won his country's first presidential election following the break-up of the Soviet Union. He has maintained his grip on the country despite the mass anti-government protests in 2020.

Lukashenko has been a staunch ally of Putin since the Russian president backed his efforts to crush the protests. He has since offered Belarus as a base for the Russian military to pursue its strikes against Ukraine and has allowed Russia to deploy tactical nuclear weapons there later this year.

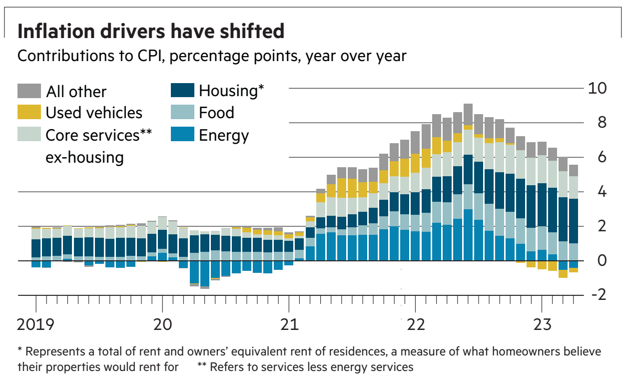
US economy. Monetary policy

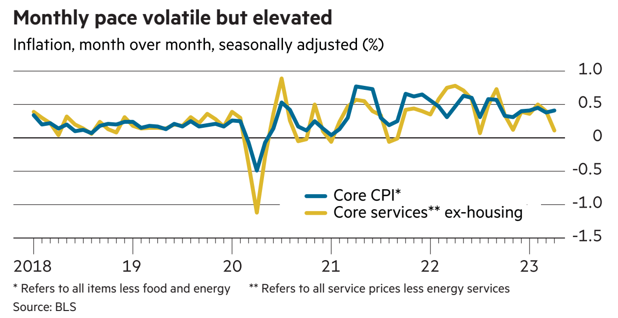
Fed faces long battle to hit 2% inflation target

Signs of easing price rises have been encouraging but experts are wary of more false dawns

COLBY SMITH — WASHINGTON
SAM LEARNER — NEW YORK

Retail squeeze: shoppers at a Pennsylvania mall. The US consumer has been facing a historic boom in prices for everyday items
Mark Makela/Reuters





Economists and policymakers are bracing for a long and rocky road back to the US Federal Reserve's target of 2 per cent inflation, even as signs of relief emerge after the worst shock in decades.

Recent economic data suggests price pressures are finally beginning to ease, with the consumer price index last week showing the relentless rise in costs for some goods and services is levelling off or is on the verge of doing so.

But optimism has collided with lingering concern about how quickly "core" inflation, which strips out volatile food and energy prices, will actually decline from here. During the past two years hopes have been raised by encouraging data only for inflation to continue to rise.

"It is not only going to be a bumpy road but what we worry about are the sticking points because [those] make it all the much harder to derail what could be more entrenched inflation," said Diane Swonk, chief economist at KPMG.

Laurence Ball, professor of economics at Johns Hopkins University, said: "I'm very cognisant, as people are, that you can get head-faked by a couple months of data."

Keeping inflation-fighters on guard is the fact that contributory factors stem from a wide range of services, from childcare to haircuts, which tend to require more effort to root out.

As the economy recovered from the Covid-19 shock, supply chain disruptions coupled with lockdowns — which limited how people could spend savings amassed owing to generous federal aid — to produce a historic boom in prices for everyday items such as washing machines and furniture. At one point, the price of used cars was increasing at an annual pace of about 40 per cent as shortages intensified, accounting for more than a fifth of overall inflation.

But as initial Covid fears ebbed and restaurants, cinemas and other venues reopened, services-related inflation started to climb. Housing costs also boomed. Americans, bolstered by a red-hot labour market and better wages, were willing to stomach the higher prices companies began to charge to cover their own swelling expenses, accelerating an inflation surge that has since prompted forceful action from the US central bank.

In the past 15 months, the Fed has raised its benchmark rate more than 5 percentage points, the fastest increase in decades as it has sought to damp demand. Officials are now wondering whether they have done enough or if they need to squeeze the economy further to ensure inflation, — as measured by the core personal consumption expenditures price index — returns to the Fed's 2 per cent target. As of March, it was at an annual pace of 4.6 per cent.

After last week's data, Omair Sharif, president of forecasting group Inflation Insights, said "most of the pieces are in place" for core inflation to gradually ease. But he warned that the Fed's target will remain elusive for some time.

"It's really hard to see core inflation coming down to anything that's approaching 2 per cent by the end of this year," he said. "We'll be fortunate to be about double that."

Among the positive developments in the latest CPI report was mounting evidence that housing inflation was beginning to ease, reflecting last year's sharp drop in rents and home prices that experts have been waiting to show up in the data. Also, a closely watched metric of underlying inflation — so-called "core services ex-housing" — moved to its slowest monthly pace since July 2022.

Sharif warned that the gauge can be volatile and disproportionately reflect travel-related expenses. But Jay Powell, Fed chair, said last year that core services once housing is stripped out "may be the most important category for understanding the future evolution of core inflation", given it captures wage-related dynamics.

Previous bouts of high inflation provide some additional comfort. Alan Detmeister, a former Fed researcher now at UBS, studied inflation surges stretching back decades and concluded the "best single inflation analogy is likely 1947" rather than the 1970s and 1980s, which were notorious for entrenched inflation.

In the post-second world war period, inflation — which, like today, was driven in part by pent-up savings, a sharp run-up in government spending and an abrupt shift in consumer demand towards goods — declined gradually over time without a sharp rise in interest rates. Detmeister said that suggests the Fed need not raise its benchmark rate further, even though it could be at least a year before the Fed's target is achieved.

> 'I'm very cognisant, as people are, that you can get head-faked by a couple months of data'

Most economists polled by Bloomberg forecast it could take until 2025. That is about in line with the timeline most Fed officials projected, as of estimates in March. They also maintain there will be no rate cuts until 2024, reflecting their view that the decline in inflation they need to see to support that would not have transpired before then.

"There is just tremendous uncertainty and, on the inflation front, a real lack of confidence because you feel like the models that we thought we knew and worked well for quite a while in a period of very low inflation volatility just haven't worked all that well," said Bill English, former director of the Fed's division of monetary affairs.

"What the Fed has emphasised is that they really do want to see inflation marching down before they conclude that they're in a good place," added English, who is now at Yale University.

"Forecasts of inflation coming down aren't going to cut it."

Contracts & Tenders

CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD
E-TENDER EXTENSION NOTICE

LOAN AGREEMENT NO.ID-P267
JICA FUNDED PROJECT
INTERNATIONAL COMPETITIVE BIDDING

E-Tenders have been invited in CMWSS Board for the following works. The due date for submission of the tender has been extended as indicated below.

Sl. No.	Contract No. and Name of work	Original Pre bid meeting Date	Original e-Bid Submission closing Date	Original e-Bid Opening Date	Postponed Pre bid meeting Date	Extended e-Bid Submission closing Date	Extended e-Bid Opening Date
1.	Supply, Erection & Commissioning of Product Water Transmission Mains for the 400 MLD Desalination Plant at Perur on East Coast Road, south of Chennai and uptoPorur Head Works and all allied works including O&M for 20 years- Package No.CP3-A From Ch:0 to Ch:27100 with 5 Km of Ductile Iron K9 Branch line CNT/WSS/ICB/JICA/DESAL/GOI/020 /2023-24	12.05.2023 at 11:30 A.M IST	12.06.2023 upto 3.00 P.M. IST	13.06.2023 after 3.30 P.M. IST onwards	26.05.2023 at 11:30 A.M IST	03.07.2023 upto 3.00 P.M. IST	04.07.2023 after 3.30 P.M. IST onwards
2.	Supply, Erection & Commissioning of Product Water Transmission Mains for the 400 MLD Desalination Plant at Perur on East Coast Road, south of Chennai and upto Porur Head Works and all allied works including O&M for 20 years-Package No.CP3-B From Ch:27100 to Ch:54000. CNT/WSS/ICB/JICA/DESAL/GOI/021 /2023-24	12.05.2023 at 11:30 A.M IST	12.06.2023 upto 3.00 P.M. IST	13.06.2023 after 3.30 P.M. IST onwards	26.05.2023 at 11:30 A.M IST	03.07.2023 upto 3.00 P.M. IST	04.07.2023 after 3.30 P.M. IST onwards
3.	Availability of Bid documents and e-bid submission is permitted through tender portal / website: www.tntenders.gov.in For all other details refer Bid documents in the website from 18.05.2023 for Sl.No.(1) & (2)						

All the other terms and conditions already published remain unaltered.
DIPR/2537/Tender/2023

SUPERINTENDING ENGINEER, (Contracts & Monitoring)

"சோதனை கடந்து சுதந்திரம் அடைந்தோம், சாதனை புரிந்து சரித்திரம் படைப்போம்"

Legal Notices

BVI BUSINESS COMPANIES ACT 2004
HCS HOLDINGS LIMITED;
XDP HOLDINGS LIMITED;
JVP HOLDINGS LIMITED; AND
MARK WATSON HOLDINGS LIMITED
– All In-Voluntary-Liquidation (the "Companies")
The Companies are incorporated in the British Virgin Islands with registration numbers: BC# 1568277; 1673054; 1570979; and 1570918 respectively

Notice is hereby given that Nigel Massicot of Sage Corporate Consultants Limited, PO Box 762, Skelton Baylot, Fish Bay, Tortola, British Virgin Islands, VG1110, was appointed as voluntary liquidator of the Companies on 9 May 2023. Creditors of the Company are invited to lodge particulars of their claims no later than 15 June 2023 with the liquidator by email: management@sagebvi.com.
Nigel Massicot, Liquidator

Notice to Advertisers

Calls to the Financial Times Advertising Department may be monitored.

Acceptance of any advertisement for publication will be subject to the then current terms and conditions of insertion of advertisements in FT publications.

A copy of the terms and conditions of insertion of advertisements in FT publications can be obtained from +44 (0)20 7873 3000, or viewed at www.FT.com/advertising

Enforcement

US crypto tsar pledges to crack down on digital platforms

STEFANIA PALMA — LONDON

The US cryptocurrency enforcement tsar is promising a crackdown on illicit behaviour on digital platforms, saying the scale of crypto crime has grown "significantly" in the past four years.

The Department of Justice was targeting crypto exchanges along with the "mixers and tumblers" that obscure the trail of transactions, said Eun Young Choi, who became director of the agency's national cryptocurrency enforcement team last year. She said the DoJ was looking at companies that committed crimes or allowed them to happen, such as enabling money laundering.

"On top of that, they're allowing for all the other criminal actors to easily profit from their crimes and cash out in ways that are obviously problematic to us," she added. "So we hope that by focusing on those types of platforms, we're going to have a multiplier effect."

Choi said the focus on platforms would "send a deterrent message" to businesses skirting anti-money laundering or client identification rules, and who were not investing in compliance and risk mitigation procedures.

Choi heads a new unit focused on criminal misuse of digital assets as the US under President Joe Biden has emerged as one of the jurisdictions with the toughest stance on crypto.

"We're seeing the scale and scope of digital assets being used in a variety of illicit ways grow significantly over the last, say, four years," she said.

"That is concurrent with the increase of its adoption by the public writ large."

The sector was shaken last year by the collapse of FTX, the exchange that had been widely perceived as a sound player in an often-volatile sector. FTX founder Sam Bankman-Fried faces criminal charges including wire fraud as well as conspiracy to commit money laundering and violate campaign finance laws. He has pleaded not guilty to all charges.

Washington has also targeted crypto exchange Binance. The US derivatives watchdog in March sued the company and chief executive Changpeng Zhao for operating illegally in the country. The exchange has said it has no formal base and does not serve US customers.

There are concerns in the industry that a greater crackdown on companies of systemic importance such as Binance would throw the broader industry into further disarray. But Choi said a company's size "is not something that the department will countenance" while weighing potential charges.

If a company "amassed a significant market share in part because they're flaunting US criminal law", the DoJ could not "give someone a pass because they're saying, 'Well, now we've grown to be too big to fail'.

"Think of what message it would send. It can't be the way that we think when it comes to crypto, when it comes to any white-collar crime."

Bitzlato, a digital exchange US authorities have said is a key link to the dark net, was taken down in January when the DoJ arrested its founder for allegedly transmitting more than $700mn in illicit crypto funds.

The DoJ's crypto unit aims to bring more enforcement actions against investment scams, as the volume of funds lost to such schemes has ballooned from about $900mn in 2021 to more than $2.5bn last year, according to victims' reports to the FBI.

Choi cited "pig butchering", named after a Chinese phrase describing fattening pigs for slaughter, where scammers build links with victims. The DoJ last month seized crypto worth more than $112mn linked to such scams.

The DoJ was also focusing on thefts and hacks involving decentralised finance, Choi said, such as "chain bridges", where users exchange digital tokens, or nascent projects with codes that are vulnerable to these attacks.

Outward bound Tepid growth and fierce competition at home prompt Chinese tech entrepreneurs to look further afield ➔ PAGE 6

Companies & Markets

Star investor Anderson to steer $500mn Agnelli fund

- Baillie Gifford veteran rejoins sector
- Osborne to chair $3bn Lingotto firm

HARRIET AGNEW AND ARASH MASSOUDI
LONDON

James Anderson is returning to full-time investing a year after retiring from Baillie Gifford, teaming up with the Agnelli family holding company for an entrepreneurial venture.

Lingotto Investment Management, a new $3bn firm owned by Exor, has appointed Anderson to launch a fund focused on innovation in both public and private markets, starting with about $500mn in assets.

John Elkann, chair of Stellantis and scion of the billionaire Agnelli industrial dynasty, told the Financial Times that his vision for Lingotto was to "provide a home for very talented investment management professionals to join a place which is entrepreneurial and much focused on letting them do what they're good at and what they love".

> 'It's essential that we [bet on innovation] rather than worrying about what the Federal Reserve does next'

Lingotto will be chaired by George Osborne, the former UK chancellor who is now a banker at boutique advisory firm Robey Warshaw. Osborne has worked with Elkann for five years as the chair of Exor's partners' council, a role from which he is stepping back.

Anderson is chair of Swedish investment firm Kinnevik. He is best known for his almost four decades at Baillie Gifford, where he helped turn the Edinburgh-based private partnership into a star of tech investing through early bets on the likes of Tesla and Amazon.

During Anderson's tenure as manager of Baillie Gifford's flagship Scottish Mortgage Investment Trust, from April 30 2000 to March 31 2022, the company gained 1,155 per cent against a 354 per cent return for its benchmark FTSE All-World index during the same period.

Scottish Mortgage's performance has soured since Anderson's exit, which coincided with a regime change in monetary policy. Scottish Mortgage's shares lost a third of their value in the 12 months to March 31 as growth stocks were curbed by higher interest rates.

Anderson, who at Baillie Gifford was a longtime shareholder in Exor companies, including Fiat Chrysler Automobiles and Ferrari, acknowledged that "it's been a difficult 18 months" for growth investing but said that the long-term opportunity in sectors including artificial intelligence, healthcare and renewable energy was greater than ever.

"One of the great puzzles to me is that markets have become so sceptical and short term at a time when the pace of innovation and change, and the prospects of returns over five, 10 and 20 years, has got greater than less," he said.

He added: "It's essential that we carry on investing in these sectors rather than worrying about what the Federal Reserve is going to do next."

The initial $3bn funding for the new venture will be split evenly between Exor and Covea, the French insurer. The joint investment in Lingotto comes out of the relationship built between the two companies after Covea agreed to buy Bermuda-based reinsurer PartnerRe from Exor in 2021 for $9bn.

Lingotto is led by Exor's longtime chief financial officer Enrico Vellano. In time, it plans to raise money from external investors and add other portfolio managers to the venture.

"It's an entrepreneurial project," said Vellano. "We don't want to judge success in terms of the size of assets under management but in terms of the quality. We want to find people who share our view about how to manage capital."

Holiday retreat Brookfield sets sights on £5bn as it prepares to offload its Center Parcs asset

So-called staycation businesses such as Center Parcs have been popular in recent years — Westmacott/Alamy

JOSHUA OLIVER, WILL LOUCH AND IVAN LEVINGSTON — LONDON

Brookfield has put UK holiday resort Center Parcs up for sale, in a deal that will test investors' willingness to bet on an economy hit by high inflation and rising interest rates.

The Canadian private equity group is seeking between £4bn and £5bn for Center Parcs, according to people familiar with the matter, after examining an exit from the investment in recent months.

The decision to go ahead with the sale, which would be one of the largest real estate deals this year, marks a bold move for Brookfield as the UK faces falling property values and higher interest rates.

Brookfield has appointed investment bankers who have been sounding out potential buyers in the past week the people said, including other private equity firms.

Mergers and acquisitions activity has slowed this year as investors remain cautious amid concerns over the economic outlook and the rising cost of debt that some firms use to finance their deals. Deals between PE firms in Europe fell to their lowest levels in the first quarter while listings globally fell 61 per cent year on year.

Brookfield and Center Parcs declined to comment.

If a sale goes ahead, it could net a windfall for Brookfield, which acquired the resort group from Blackstone for about £2.4bn in 2015.

Center Parcs operates six holiday villages in the UK and Ireland, while the five UK sites were independently valued at £4.1bn in April, based on the value of the real estate alone. The planned sale would include around £2bn in debt, which is likely to make the deal easier since raising new financing would be difficult given market anxiety.

UK "staycation" businesses, such as caravan and holiday parks, have been popular with professional investors in recent years with large PE firms including Blackstone, KKR and Onex pouring billions into the sector.

Such companies are perceived to be resilient during times of economic uncertainty as they offer a cheaper alternative to foreign travel for consumers looking to save cash.

The volumes of hotel deals struck in Europe increased to €4.3bn in the first quarter, according to real estate advisers Cushman & Wakefield. It was one of the only property sectors to see more deal volume than in the same months for 2022.

Brookfield has invested in Center Parcs since the acquisition, spending £100mn on technology alone. The company hosts more than 2mn guests a year with 98 per cent occupancy, according to Brookfield's website.

See Lex

Vice files for bankruptcy protection ahead of sale

DANIEL THOMAS

Vice Media, the once-feted new media start-up, has filed for bankruptcy protection ahead of a proposed sale to a consortium of lenders including Fortress Investment Group and Soros Fund Management.

The group, which is home to Vice News, Motherboard, Refinery29 and Vice TV, was once among the hottest digital media groups, winning a multibillion-dollar valuation based on its popularity with millennials attracted to an often anarchic style that reflected its roots as a punk magazine.

However, the group has struggled to turn its mix of news, entertainment and lifestyle into financial success, undermined by audiences' shift back to more traditional media groups and the tightening grip of tech groups such as Meta on digital advertising in recent years.

Vice said yesterday it had agreed a sale to a consortium of its lenders, subject to a provision that it remain open to higher bids from other parties. The consortium, which also includes Monroe Capital, agreed to provide $225mn in credit for its assets, in addition to the assumption of "significant liabilities".

The lenders will also provide more than $20mn in cash and other financing to fund Vice's business throughout the sale process, which it expects to conclude in the next two to three months.

Bruce Dixon and Hozefa Lokhandwala, Vice's co-chief executives, said the "sale process will strengthen the company and position Vice for long-term growth".

Most of the company's international entities, and a television joint venture with broadcaster A&E, are not part of the Chapter 11 filing.

The deal is likely to leave existing investors wiped out, including James Murdoch, who invested through his holding company Lupa Systems, Disney and private equity group TPG. The latter led a $450mn funding deal in 2017 to expand scripted programming and international operations, giving the group a valuation of $5.7bn.

However, by the following year, Disney had been forced to write down its stake in the company as the tide started turning on a cohort of genre-busting start-ups that had until then appeared to be the future of the media sector.

BuzzFeed last month closed its award-winning news operations and Vox is having to cut staff across its business.

Leveraged buyout supremos cede limelight to credit groups

INSIDE BUSINESS
FINANCE
Sujeet Indap

Among the big Wall Street firms that deploy private capital, there has been a marked shift in recent years: their sometimes swashbuckling buyout operations no longer command sole attention.

Over the past decade, these firms have moved increasingly into credit investing, a steadier and more expansive endeavour than traditional private equity. With lending opportunities expected to grow after the ongoing stress among US regional banks, that shift has now positioned the firms in a propitious place.

Blackstone chief operating officer Jonathan Gray recently said it was a "golden moment" for so-called "private credit", lending that is funded by institutions that do not take customer deposits. In contrast, Apollo co-founder Marc Rowan recently told an audience that "private equity is mature . . . I'm sure there's always room for improvement but the private equity business is a 35-year-old business."

The offices of the big industry players on 57th Street or Park Avenue in Manhattan were once largely home to financiers who combined exotic deal structuring with operating expertise to refashion whole industries. In leveraged buyouts, acquisitions could often return double or triple the equity investment in a few years. Fortunes were minted as conventional private equity collected fees of 2 per cent of assets under management, plus 20 per cent of the profits above set levels. And the firms did not require excessive employees. "How many people do I want making $750mn levered equity investments? Not that many," Apollo's Rowan said this year.

Now, however, these Masters of the Universe are joined in the lunchroom and washroom with legions of glorified loan officers happy to clip an 8 per cent interest coupon and call it a day. "Credit always gets treated like second-class citizens," said an executive at a large legacy private equity firm. "Until they finally hit some kind of scale."

Credit has now not only achieved scale in the private capital firms but the old-school private equity crew have made sure to get their cut of the bounty. And that has made it more than worthwhile to cede the spotlight.

> 'Credit always gets treated like second-class citizens,' said one private equity executive. 'Until they hit some kind of scale'

At the big four diversified private capital managers — Apollo, Blackstone, Carlyle and KKR — private equity accounts for just 30 per cent, on average, of their assets managed. The rest is not just in lending but also in real estate, infrastructure, hedge funds and in specialised areas such as investing in the energy transition.

Those proportions also reflect big changes in the employee base of the firms. Apollo and KKR now each have more than 4,000 employees, about triple their levels five years ago after both acquired large life insurance companies, according to securities filings.

The traditional private equity LBO groups have been highly insular, overwhelmingly composed of white men with Ivy League degrees. The newer areas tend to be less homogenous with greater representation of women and other groups who have been less visible in high finance.

Credit is not just an attractive growth market. The stability of the $50tn fixed income market in the US alone leads to predictable management fees, albeit with less upside potential. These big fund managers are now publicly traded and have discovered that mutual funds prize management fees with higher valuation multiples.

As such, firms have gone so far as to engineer their corporate structures to ensure that more management fees flow to their publicly traded stock vehicles. At the same time, the erratic but large performance fees, known as carried interest, are being retained by insiders rather than their public shareholders.

The stock market valuations of these firms are increasingly driven by credit strategies and the like.

In late 2021, Apollo said in a filing that one of its carried interest programmes "was not achieving its human capital goals" and it would instead swap that plan for stock-based pay to promote "further alignment across the platform". For private equity group members, some of their pay was suddenly disproportionately tied to the growth in credit assets, the most crucial driver of the stock price.

"There is definitely a view among the traditional alternative investing firms that performing credit is a less complicated . . . form of investing," said one executive at a large asset manager, alluding to the snobbery of buyout pros. "And, interestingly, that is what makes credit so scalable versus traditional private equity."

sujeet.indap@ft.com

Legal Notices

HSBC

16 May 2023

HSBC BANK PLC
NOTICE OF REDEMPTION AND CANCELLATION OF LISTING

To the holders of

(i) US$300,000,000 Undated Floating Rate Primary Capital Notes (Series 3), ISIN Code: GB0005903413 (the 'US$300m Notes')
and
(ii) US$750,000,000 Undated Floating Rate Primary Capital Notes, ISIN Code: GB0005902332 (the 'US$750m Notes' and, together with the US$300m Notes, the 'Notes')

Notice is hereby irrevocably given to the holders of the Notes that, pursuant to Condition 5(c) (*Redemption at the Option of the Bank*) of the terms and conditions of each series of Notes (together, the '**Conditions**') and subject to Condition 2 (*Status and Subordination*) of each series of Notes, on the Interest Payment Date (as defined in the Conditions of each series of Notes) falling in June 2023 (expected to be 30 June 2023) (the '**Redemption Date**'), HSBC Bank plc will exercise its option to redeem all of the outstanding Notes at 100 per cent. of their principal amount, together with accrued but unpaid interest from (and including) 30 December 2022 to (but excluding) the Redemption Date. On or after the Redemption Date, unless payment is improperly withheld or refused or is not made by reason of Condition 2 (*Status and Subordination*) of each series of Notes, interest in respect of the Notes will cease to accrue.

Any Coupons (as defined in the Conditions of each series of Notes) maturing after the Redemption Date shall be void and payments of the principal of the Notes, together with the above-mentioned accrued interest, will be made upon presentation and surrender of the Notes and the Coupons maturing on or before the Redemption Date as provided in Condition 6 (*Payments*) of each series of Notes. For these purposes, the place of payment is at the specified office of any Paying Agents, being at the date hereof: The Bank of New York Mellon, 160 Queen Victoria Street, London EC4V 4LA.

For Notes which are held through Euroclear Bank SA/NV ('**Euroclear**') or Clearstream Banking, S.A. ('**Clearstream, Luxembourg**'), holders should look to Euroclear and/or Clearstream, Luxembourg for repayment on the Redemption Date.

The listing of the Notes on the Official List of the Financial Conduct Authority and the admission of the Notes to trading on the Main Market of the London Stock Exchange plc will be cancelled by HSBC Bank plc on, or shortly after, 3 July 2023.

Capitalised terms used but not otherwise defined herein shall have the relevant meanings given to them in the trust deed relating to (i) the US$750m Notes dated 17 June 1985; and (ii) the US$300m Notes dated 9 December 1986, in each case as amended or supplemented from time to time, between, among others, HSBC Bank plc and The Law Debenture Trust Corporation p.l.c., copies of which are available for inspection at the specified offices of the Trustee or the Paying Agents.

ends/more

Investor enquiries to:
Greg Case +44 (0) 20 7992 3825 investorrelations@hsbc.com

Media enquiries to:
Gillian James +44 (0) 20 7992 0516 gillian.james@hsbcib.com

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (**the 'Securities Act'**), or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or the benefit of, US persons, as defined in Regulation S under the Securities Act, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

ends/all

Tobacco

Bowles in abrupt departure from BAT

CEO exits after $635mn US penalty for breach of sanctions on Pyongyang

ALISTAIR GRAY AND SARAH PROVAN
LONDON

Jack Bowles has stepped down as chief executive of British American Tobacco three weeks after the group agreed to pay a $635mn penalty over breaches of US sanctions on North Korea.

The Lucky Strike and Dunhill maker said yesterday that Bowles, who has been at BAT for 20 years, had been succeeded by finance director Tadeu Marroco. BAT provided few details on the abrupt exit of Bowles, who has led the company since 2019. His four-year term was less than half that of any of his predecessors since 1998, according to Rae Maile, analyst at Panmure Gordon.

The US penalty BAT paid last month was the largest settlement of its kind and related to activities between 2007 and 2017. Bowles served as head of the tobacco group's Asia-Pacific division between 2013 and 2017. He has not been accused of any wrongdoing. His departure did not "come as a complete surprise" given the sanctions violations, wrote analysts at JPMorgan, who noted that the breaches occurred at least partly during the time Bowles was leading BAT's Asia-Pacific business.

BAT accepted that it had violated US sanctions by supplying nearly $30mn worth of cigarettes to North Korea's Singapore embassy. It accepted processing just over $250mn worth of cash from sanctioned North Korea banks through US financial institutions as payment for indirectly exporting cigarettes to the country.

> The business supplied nearly $30mn worth of cigarettes to North Korea's Singapore embassy

Bowles said at the time of the settlement that the company "deeply [regretted] the misconduct arising from historical business activities". BAT had "transformed" its compliance and ethics programme.

He said yesterday that it was "time for a change of leadership to take the business to the next level".

Maile said there had been frustrations in the City over BAT's strategy, which had been "long on a progressive agenda but shorter in terms of delivery".

BAT generates about 15 per cent of its revenues from non-combustible products, double that of 2018. Yet alternatives have come under scrutiny, particularly over concerns they could get a new generation hooked. Canberra has said it will ban imports of non-prescription vaping products.

Maile said BAT had been "bruised" by the success of IQOS, the heated tobacco device developed by Philip Morris.

Marroco's promotion gives the company the chance to "rebuild investor confidence from a low base", Maile said.

James Edwardes Jones, analyst at RBC, said bonus payments BAT paid Bowles "do not suggest there had been problems" with his performance.

See Lex

Technology. Growth push

Battle-hardened China start-ups look outward

Sluggish economy and intense rivalry prompt shift of focus away from domestic arena

RYAN MCMORROW AND SUN YU — BEIJING

A customer browses at a Paris outlet of fashion house Shein, which seeks to obscure its roots through the 'Singapore-washing' ploy of moving some functions to the city state
Christophe Archambault/AFP/Getty Images

Rosie Zhang is betting that the reopening of China's borders will jump-start growth for her start-up.

"Now we can go out and sell," she said, after three years during the pandemic pitching to customers and teaching them how to use her company's retail automation technology over video calls from Shanghai.

Zhang is one of a growing number of Chinese tech founders who, even at a time of rising geopolitical tensions, are turning their sights outward. Tepid economic growth and fierce competition are one reason they are looking outside China.

Beijing's tech crackdown and "common prosperity" drive targeting the country's magnates have also sapped confidence in the home market.

Huan Li, an investor at accelerator Plug and Play, said: "Chinese entrepreneurs face intense competition at home and an uncertain business environment, so it makes sense that many are looking at opportunities abroad."

The growing success of China's tech and industrial groups in global markets is providing encouragement.

Ecommerce platforms Shein and Temu are inundating the US with $7 dresses and $3 backpacks sourced from mainland factories. TikTok is hogging more and more of the screen time of 1bn global users, while sales by electric vehicle makers such as BYD are pushing China towards the top of vehicle export tables.

Zhang's company Cloudpick offers a computer vision system that can turn any small convenience store into an Amazon Go-like experience for shoppers. With 60 per cent of the group's 500 customer sites in China, Zhang is leading a renewed push to automate checkouts outside the country.

Zhang said: "China is highly competitive. Software and hardware companies have to constantly cut costs, reduce profit margins and increase efficiency to remain viable, but the trial by fire naturally provides an advantage when entering overseas markets. If you can survive here, you can make it anywhere."

Founders in innovation hubs such as Beijing and Shenzhen say that foreign customers are more willing to pay for tech that speeds up their processes or automates functions. They are also less likely to haggle over prices.

The difficulty of selling software in China was partly behind Allen Liu's decision to target foreign customers with his foray into software as a service. The WaterWheel Network online platform enables data centres and others to farm out computing power to AI companies training large language models.

He said: "Global customers are more willing to pay for services. It's easier. Our old business in China is not growing very fast but it's stable, giving us the opportunity to expand into emerging overseas markets."

With battle-hardened Chinese entrepreneurs increasingly setting their sights abroad in emerging fields such as AI, the kind of pressure TikTok's rise put on Facebook may soon be felt across the tech spectrum.

Zhang said Cloudpick could price its offering below competitors from the US and Israel. Qian Huang, founder of Passive Edge, said his start-up had a similar advantage, with pricing at about half that of UK and German groups. The company, which sells thermal batteries for heating, was targeting sales in Europe where electricity prices had rocketed, he said.

Wu Houfeng, general manager of Shantou-based Zhengchao Electric, said low prices and localised supply chains would help its electric vehicle chargers gain a foothold in south-east Asia and Oceania, the group's first target markets.

"Our domestic business allows us to pay the fees for our overseas expansion," he said.

One handicap they have to overcome is their Chinese origins at a time of increasing geopolitical tensions. Li said China's frictions with the west did complicate overseas expansion for larger groups but that it should be less of a problem for start-ups, particularly as they were not on Beijing's radar. "Some people worry all Chinese companies are controlled by the government, when that's not the case," he said.

The larger Chinese groups, such as TikTok and fast fashion house Shein, have taken the lead in attempting to obscure their roots, pioneering the "Singapore-washing" approach of moving some of their company functions to the city state.

> 'The trial by fire provides an advantage when entering overseas markets. If you can survive here, you can make it anywhere'

TikTok calls itself a global company with headquarters in Los Angeles and Singapore. The list of nine other global office locations on its website omits mention of any in China, where teams of engineers, product designers and operations people run much of the app.

Chinese ecommerce group Pinduoduo recently deleted mentions of the country from its app Temu hawking cheap goods to Americans. Temu's website in April erased "Pinduoduo" and "China" from its origin story and claims: "Temu was founded in Boston, Massachusetts in 2022."

TikTok said it had thousands of employees in Singapore including its chief executive. Pinduoduo did not respond to a request for comment.

Danny Tao, head of Dongguan-based ePropulsion, said that originating in China had advantages and disadvantages for his business. Being at the heartof China's electric vehicle supply chain had helped his company turn into oneof the world's leading makers of electric motors for boats, he said. However, being Chinese made selling overseas more challenging.

"We are trying to build a global brand that doesn't remind people of China," he added.

"We won't deny our Chinese roots. If someone asks me where our products are designed and made, I'll say China, but there is no need to emphasise our Chinese identity."

Industrials

DMG starts tracking use of its products to stop military applications

SUN YU — BEIJING
PATRICIA NILSSON — FRANKFURT

DMG Mori, a big maker of advanced machine tools, has started tracking use of its products to ensure they are not applied to military purposes.

The German-Japanese company asked clients from April to install a remote management system that would switch off equipment if it were removed or dismantled.

In a letter sent in late March, DMG said installation of the system was aimed at preventing its equipment from being "illegally transferred to individuals or countries that may threaten international security".

The letter said the company would refuse to reactivate the equipment if its use violated "applicable export rules".

DMG makes a machine tool used to manufacture everything from passenger cars to fighter jets.

The company said it had made the decision to implement the measures "due to the global political situation — and certainly due to the outbreak of the Russian war in Ukraine". It was making sure no "misappropriation of our machines takes place".

The move by DMG, created through the merger of Mori Seiki and Gildemeister, comes as tensions rise between the EU and China. China's foreign minister last week condemned EU proposals to impose sanctions on Chinese companies for supporting Russia's war machine, vowing to react "strictly and firmly" to defend its businesses.

> The German-Japanese toolmaker wants to ensure no 'misappropriation of our machines takes place'

About a quarter of DMG's sales are in Asia. The company does not provide separate figures for its China business.

China was Germany's top trading partner for the seventh year in a row in 2022, serving as a vital market for German car producers in particular. But western concerns about dependence on Beijing, driven by the US, have been deepened by the fallout from the pandemic and Russia's war in Ukraine.

Security concerns have prompted Berlin to reconsider use of Huawei equipment in the German telecoms network and review a decision to allow Chinese shipping company Cosco to buy a stake in a Hamburg port terminal.

"While the requirement may apply to many countries, it will affect China the most, since Chinese civil-military fusion factories had a history of buying DMG machineries," said a former DMG China executive. "We had for years feigned ignorance of where our products were deployed in China."

Liu Hanyu, an analyst at Daxue Consulting in Shanghai, said more western machine-tool makers would follow in DMG's footsteps. This, according to a report last month from Guangzhou-based GF Securities, would create "a huge risk" for exporters of high-end machine tools to China.

Foreign brands accounted for 60 per cent of China's five-axis machine-tool sales last year, while DMG took 17 per cent of the market in the same year, according to QY Research, a California-based consultancy.

Additional reporting by Laura Pitel in Berlin

Oil & gas

Proxy adviser backs green pressure on Total

SARAH WHITE — LONDON

Institutional Shareholder Services, the proxy adviser, has recommended investors in TotalEnergies back a shareholder resolution urging the group to do more to cut its emissions.

Dutch shareholder activist Follow This, along with 17 investors making up about 1.4 per cent of Total's capital, is calling on the group to cut its emissions more aggressively by 2030 in a resolution to be voted on at a meeting on May 26.

The resolution urges Total to be more aggressive on its Scope 3 targets, which cover the carbon produced when a product sold is burnt. The investors said Total's strategy cannot be aligned with the Paris Climate Agreement, or the goal of keeping global warming well below 2C above pre-industrial levels, in part because the company plans to continue new oil projects for now.

In an ISS recommendation seen by the Financial Times, the proxy adviser said investors should vote for the resolution. The motion is not binding but ISS's advisory could give it momentum.

"The proposed shareholder resolution has some merits as it is identified there is some missing information to provide comfort the Scope 3 goals are taking this trajectory of the Paris agreement," ISS said in its note.

Significant shareholder dissent is generally regarded as being a vote against a management recommendation by at least 20 per cent of the shares voted.

Total said the motion did not "provide a credible response to the challenges of climate change and would be contrary to the interests of the company".

ISS has occasionally backed such motions in the sector before, but only in the US and in Norway in recent years. It supported a successful drive by hedge fund Engine No. 1 to install three directors at ExxonMobil in 2021 in a push to make it improve its carbon footprint.

Follow This called the ISS recommendation on Total "a breakthrough" and said it marked welcome support for its drive, which it hoped would be expanded to its campaigns at Shell, BP, Chevron and Exxon.

"These supermajors will only change if shareholders massively vote for change," said Mark van Baal, founder of Follow This.

However, the chances of the resolution gaining near majority support are slim. Total has urged investors to vote against the motion, which was also brought by investors including Edmond de Rothschild, Mandarine Gestion and Sycomore Asset Management.

Total has been increasingly investing in renewable energy assets, dedicating $5bn of its investment budget this year to spending on such projects compared with $4bn previously. But investors such as Sycomore have urged the group to curtail new oil and gas projects.

Total last year blocked a climate resolution from Follow This.

Mining

Newmont set to buy rival Newcrest for $19bn

NIC FILDES — SYDNEY

The board of Australia's Newcrest Mining has unanimously backed a A$29bn ($19bn) takeover offer by its US rival Newmont, paving the way for the world's largest gold miner to strengthen its grip on the sector.

Subject to a shareholder vote and regulatory approval, Newmont will acquire Newcrest — which it founded in the 1960s before spinning it off via a merger with BHP — with an offer of 0.4 shares for every share in the Australian group.

The deal will strengthen Denver-based Newmont's operations in Australia, Canada and Papua New Guinea and potentially create a ripple effect in the industry as smaller mines owned by the combined business are shed.

It is the latest example of consolidation in the global mining industry as big companies look to buy promising operations to increase scale and exposure to critical minerals needed for the energy transition. Newmont's move increases its exposure to copper and follows BHP's takeover of rival Oz Minerals, Rio Tinto's buyout of Turquoise Hill and Allkem's merger with Livent to create a more substantial lithium player.

Newmont first approached Newcrest in February with an all-share offer but was rebuffed. It raised its bid in April to A$29.4bn, which led Newcrest's board to open its books.

The slightly lower value of the deal, which includes debt, reflects a decline in Newmont's share price in the past two months but still amounts to a more than 30 per cent premium on where it stood just before the initial offer was made.

The acquisition has the potential to cause a ripple effect in the sector

US-listed Newmont's chief executive Tom Palmer, an Australian from the mining town of Broken Hill, said the takeover represented "exceptional value" for shareholders. "It creates an industry-leading portfolio with a multi-decade gold and copper production profile in the world's most favourable mining jurisdictions," he said.

Palmer said due diligence had identified synergies of $500mn that the company expected to achieve within two years of the deal's completion, as well as opportunities to enhance cash flow by $2bn in that period.

Newcrest will pay a final dividend to shareholders as part of the takeover agreement. The combined business will retain a secondary listing on Australia's stock exchange.

COMPANIES & MARKETS

Napoli's film-maker owner celebrates blockbuster revival of team's success

Serie A title victory shows how De Laurentiis has scripted a turnround story worthy of cinema for his football team

AMY KAZMIN — ROME

Show of support: a Napoli fan celebrates a win ahead of the team's clinching of the Italian championship on May 4. Below, owner Aurelio De Laurentiis
Alberto Pizzoli/AFP/Getty

Aurelio De Laurentiis was on the island of Capri, taking a break from making Hollywood film *Sky Captain and the World of Tomorrow*, when he read in a newspaper that Napoli, the football club in Naples, had collapsed.

The veteran Italian film producer had in 1999 offered to buy Napoli for the equivalent of €102mn, only to have his bid rejected. By the time of his holiday in Capri in 2004, all that was left of the club, then bankrupt, was an authorisation to ask the Italian football federation to use the Napoli name.

"I put €37mn on the table just to buy a piece of paper," he said. "And we started the new adventure."

Since then, De Laurentiis has scripted a compelling turnround story worthy of the film industry of which his family has long been a part. In the fairytale ending, Napoli on May 4 clinched the Italian championship, the Scudetto, for the first time since 1990 when the Argentine legend Diego Maradona was still at the heart of the team. The victory set off frenzied celebrations across Naples.

Many had been pessimistic about Napoli's prospects at the start of the season after De Laurentiis sold some of the team's biggest stars and replaced them with a crop of relative unknowns. Yet the victory was a vindication of the owner's unorthodox strategy.

"I was asked what is your goal this year because you have let go the most important players and engaged unknown people," he told the Financial Times in an interview at his office in Rome, surrounded by posters for some of his many films. "When I told them, my goal is to win the Scudetto, it seemed as if I was blaspheming. But we won."

As he sees it, his ability to fix the broken club, in a sport that has confounded some of the world's richest people, stems from his film making experience.

"We were successful because I started to apply what I learnt from the movie business in many years to the football world," De Laurentiis said. "My goal was to win, while remaining sustainable financially."

Although his family originates from Napoli, De Laurentiis was raised in Rome, where his father and famous film-making uncle, Dino De Laurentiis, built a studio and helped bring postwar Italian neo-realism to global audiences.

Unlike many Italians, De Laurentiis admits, he was not previously passionate about football. But in the wreckage of Napoli, which had never recovered from its infatuation with the brilliant and troubled Maradona, he sensed a compelling turnround scenario.

"I didn't know the rules of soccer. When I bought Napoli, for me, it was completely a new domain," he said. "But, for me, it was important to mix movies and sport, to furnish content for what was in the past TV, and now platforms."

Although Napoli was relegated to Italy's Serie C when the club started under his ownership, crowds of nearly 65,000 still turned up for its games. Within three years, the team was back

in Serie A. De Laurentiis and his scouting network of "clever people" developed a reputation for identifying young, undervalued players who could be signed for a low price, developed at Napoli, and then sold for profit.

But success has not come cheap. Napoli has spent €860mn on signings in the past decade, according to the Transfermarkt website, the fifth highest in Italy, and recouped roughly €648mn from player sales.

De Laurentiis's hard-headed business savvy has at times infuriated Napoli's passionate supporters, who resented his focus on earnings, and his refusal to splash out on celebrity talent in the way that, for example, Juventus splashed out €100mn on Cristiano Ronaldo in 2018.

Napoli fans were outraged when De Laurentiis sold three of the club's most loved stars, including hometown hero, Lorenzo Insigne and Senegalese defender Kalidou Koulibaly, who was sold to Chelsea.

Despite finishing third in Serie A last year, De Laurentiis was convinced that the line-up needed changing. "Their will to win was exhausted," he said. "I didn't believe in them anymore. Maybe I was wrong. But I'm the owner. I decide."

Napoli's crop of young players has excelled, he said, "because they are a group, and not a single star". Their story will soon be told through four hours of television that started filming in June when the season was just starting.

The Napoli owner hopes to keep hold of his winning team, including Nigerian striker Victor Osimhen, Georgian winger Khvicha Kvaratskhelia and South Korean Kim Min-jae, even though the trio have become some of the most in-demand stars in European football.

But the casting director in him has his eyes on new additions, including a US and a Japanese player, as he looks to expand Napoli's global appeal.

Market research firm Nielsen estimated two years ago that Napoli already had a fan base of 83mn supporters in western countries. De Laurentiis believes that will have risen to at least 120mn after this season's triumph.

He is also scathing about tycoons and investment funds that buy clubs then delegate the key decisions. He argues

> 'I started to apply what I learnt from the movie business in many years to the football world'

> 'Their will to win was exhausted [with the old line-up]. Maybe I was wrong. But I'm the owner. I decide'

that such an approach is undermining Italian football, which has fallen far behind England's Premier League.

Napoli's rivals include AC Milan, owned by US private equity firm RedBird Capital; AS Roma, controlled by US billionaire Dan Friedkin; and Atalanta, whose majority shareholder is Bain Capital co-chair Stephen Pagliuca.

"Italian soccer doesn't progress because decisions are not quickly made," he said. "When you are an investment fund, what do you know about managing a football player?"

While Napoli fans have embraced De Laurentiis's leadership after the victory, he does not rule out future tensions.

"The problem is football is two worlds — it is a sport and industry," he said. "If you don't win, supporters don't care if you are good in the balance sheet. For them, its better you go bankrupt. But you must win."

Additional reporting by Josh Noble

Technology

OpenAI boss eyes $100mn for Worldcoin crypto project

IVAN LEVINGSTON — LONDON
GEORGE HAMMOND — SAN FRANCISCO

OpenAI boss Sam Altman is close to securing $100mn in funding for his plan to use iris-scanning technology to create a secure global cryptocurrency called Worldcoin.

According to three people with knowledge of the deal, Worldcoin is in advanced talks to raise fresh cash for a launch in the next few weeks in what would be a rare bright spot for a sector that has endured a bleak year.

The group includes existing and new investors, said one of the trio. Previous investors include Khosla Ventures and Andreessen Horowitz's crypto fund, FTX founder Sam Bankman-Fried and internet entrepreneur Reid Hoffman.

Worldcoin was founded by Altman and Alex Blania in 2019. It has kept a low profile relative to OpenAI, the ChatGPT creator which did a multibillion-dollar deal with Microsoft this year.

Even so, it has grand ambitions, with plans to use eye-scanning technology to create a global identification system that could be used to gain free access to its own global currency, Worldcoin.

A $100mn token sale early last year valued the total supply of the company's tokens at $3bn, said Information, a tech-focused publication. But crypto tokens and projects have since had a bruising 12 months. The collapse of cryptocurrency exchange FTX in November last year accelerated the sharp fall in token prices and sparked a wave of crypto company failures.

FTX was backed by venture capital fund Sequoia Capital, Chase Coleman's Tiger Global Management and Thoma Bravo. Its implosion, and the scandal around FTX, encouraged many blue-chip funds to curtail investment.

"It's remarkable for a project in this space to get this amount of investment," said one of the people with knowledge of the fundraising.

BHA medical
Your health, in your hands.

increase productivity, reduce absenteeism.

Prioritising employee wellness is essential for long-term success, productivity, & profitability in today's business environment.

A strong wellness program reduces the absenteeism rate and creates a positive work culture that benefits both employees and the organization.

By investing in your employees' health, you can boost productivity, improve morale and demonstrate a commitment to their well-being.

Don't underestimate the impact of employee wellness on your bottom line.
- Make it your priority today!

www.bha-medical.com

Technology

African solar start-up M-Kopa raises $250mn

DAVID PILLING — LONDON

M-Kopa has raised more than $250mn in debt and equity in one of the largest fundraisings by an African tech start-up.

The cash will allow the company, which pioneered a pay-as-you-go-model for solar panels and smartphones in east Africa, to acquire up to 100,000 customers a month, said Jesse Moore, M-Kopa's chief executive.

Standard Bank is lending $100mn of the $202mn in debt, which can be drawn down as M-Kopa, which was founded in Kenya in 2011, attracts new customers. Other lenders include the International Finance Corporation, with $65mn; Lion's Head Group, a frontier market investment bank; and British International Investment, the UK's development finance institution.

Sumitomo Corporation, which took a $5mn stake in 2018, is investing a further $36.5mn, the lead in a $55mn equity component of the total package.

M-Kopa expanded from its east African base to Nigeria in 2021 and has more recently started in Ghana. It is testing the market in South Africa and running pilot projects to finance electric motorbikes in an e-mobility strategy.

The company extends credit to customers who are underbanked or have little credit history. Customers pay a small deposit and repay loans via micropayments, often daily, using the mobile money tech also pioneered in Kenya.

The equipment of customers who do not repay can be deactivated remotely. Those who pay back on time can graduate to other financial products, such as digital loans and health insurance.

Moore said default rates were about 10 per cent, high by banks' standards, but low enough to run the business at or near profit, although he conceded that conditions had been difficult recently.

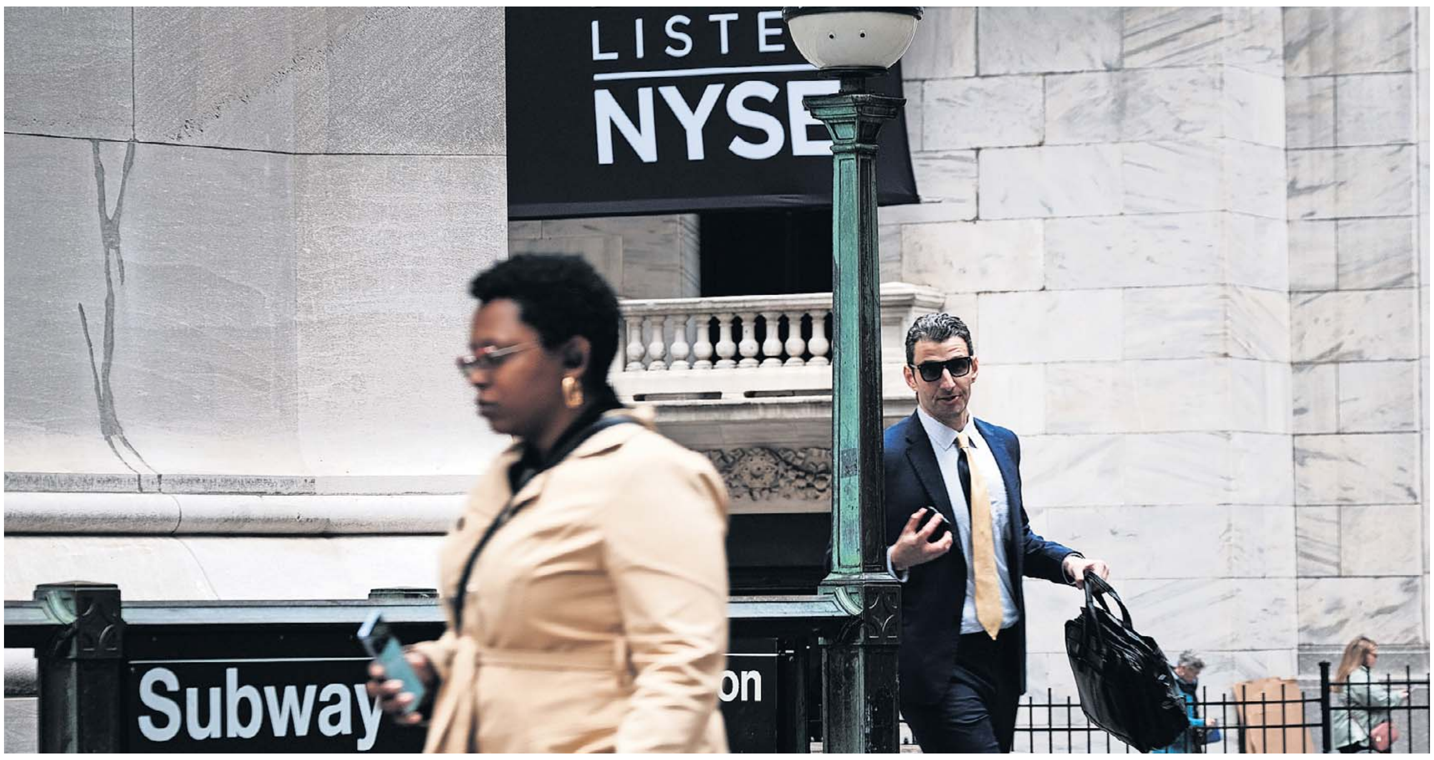
"We're clearly in a tough time," he said. "We've got high levels of inflation. Then you've got currency devaluation." Still, he added, credit quality had in fact improved over the past 15 months.

"In this current environment, it is no longer a growth-at-all-cost mentality," he said. "It is important to investors to see a clear path to profitability and profitable growth, which we are very much on the pathway towards."

Aubrey Hruby, co-founder of the Africa Expert Network and an investor in early stage African companies, said: "Debt or access to cheap credit is jet fuel to . . . their growth."

Equities. Falling volatility

Algorithms prop up stocks as humans sit out uncertainty



Power walk: markets on the New York Stock Exchange have proved surprisingly resilient this year, with the S&P 500 gaining 8 per cent
Spencer Platt/Getty

Quant funds have been piling into Wall Street after active managers moved to sidelines

NICHOLAS MEGAW — NEW YORK

While human portfolio managers fret over economic uncertainty and the health of the US banking system, some algorithmically driven hedge funds have been buying stocks at one of the fastest rates in a decade, according to bank trading desks.

Quant funds have been piling into US stock markets in response to falling volatility, helping to prop up the market as active managers sit on the sidelines.

"Systematic reallocation has really been the [main] source of demand outside of corporate buybacks" this year, said Charlie McElligott, an equity derivatives strategist at Nomura.

Quant, or systematic, funds use algorithms to automatically detect trends and ride momentum across different markets.

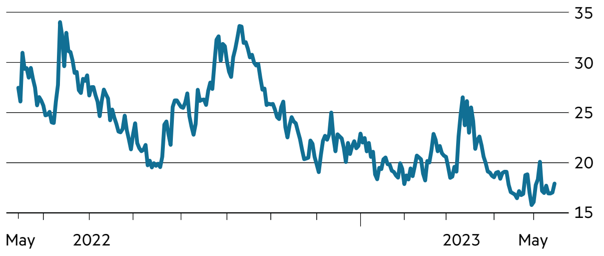
A recent research note from Bank of America summed up the views of many investors by declaring the "bulls are becoming an endangered species".

But the trend among quant funds helps to explain why the US stock market has proven surprisingly resilient this year despite the widespread pessimism, with the S&P 500 gaining 8 per cent year to date.

"These funds move fast and unemotionally," said McElligott. "They're not parsing through earnings or taking a view on the stickiness of inflation . . . this is about price trends and momentum."

There are several types of systematic strategies, including "volatility control" funds, commodity trading adviser funds and "risk parity" funds.

Volatility has fallen in spite of the banking crisis
Cboe Market Volatility index



Source: Refinitiv

Their approaches vary but all three rely on realised and expected market volatility as critical drivers of where they allocate assets.

Nomura estimated that volatility control funds alone have added about $72bn in US stocks in three months.

That was a greater flow than in 80 per cent of three-month periods over the past decade.

Separate analysis by Deutsche Bank showed overall equities positioning across systematic funds is at its highest level since December 2021.

In contrast, stock market exposure among active managers is close to a one-year low, according to Deutsche.

Wild swings in markets throughout 2022 encouraged systematic funds to reduce their exposure or even bet on further declines, exacerbating the downturn.

The S&P fell 19 per cent last year. However, volatility has fallen dramatically since the fourth quarter as fears about US interest rate rises and the health of the global economy have eased.

The Vix index, which reflects expected stock market swings over the next month, has closed below its long-term average 57 times so far this year compared with just 23 times in the whole of 2022.

In April, Cboe's backwards-looking index of realised volatility hit its lowest level since November 2021 and — even after a recent pick-up — it remains less than half last year's average.

Those falls automatically prompt many quant funds to ramp up their stock investments, according to McElligott.

Parag Thatte, a strategist at Deutsche Bank, said: "Discretionary investors have basically refused to engage with this rally so far."

He added that investors briefly began increasing their allocation to US stocks after a strong start to the year in January but have been put off again since the collapse of Silicon Valley Bank in March triggered broader worries about the US banking sector.

'They're not parsing through earnings. This is about price trends and momentum'

Low exposure to stocks has contributed to poor performance among many investors.

Two-thirds of actively managed mutual funds failed to beat their benchmark in the first quarter as portfolio managers were caught off guard by the rally, according to Bank of America.

Still, while flows from quant funds have helped to prop up stock indices, they have not been enough to offset losses elsewhere in many hedge funds' portfolios.

CTAs were hit badly by sharp moves in Treasury markets, and a Société Générale index tracking the largest funds has fallen 4 per cent so far this year.

Quant funds are relatively small compared with the overall market. CTAs had total assets under management of about $365bn at the end of 2022, according to BarclayHedge, less than 10 per cent of the $4.8tn hedge fund industry.

However, because multiple funds tend to follow trends in tandem, their flows can affect the broader market, particularly when other investors are avoiding making any bets.

"We do see their trading has a big impact on equities," said Thatte. "They don't tend to lead the market . . . [but] they tend to amplify moves that are already happening."

However, with quants now approaching normal levels of equity allocation, their impact may soften going forward, he added.

"If discretionary investors continue to be underweight and not raise their own exposure, there's a limit to how much systematics can do on their own," said Thatte.

FT
Our global team gives you market-moving news and views, 24 hours a day
ft.com/markets

Financials

Warburg boss says investors must focus on margins in era of high rates

BROOKE MASTERS — NEW YORK

Higher interest rates have so fundamentally shifted the financial environment that investors must focus on a company's ability to maintain margins rather than just its growth prospects, veteran private equity executive Chip Kaye said.

"This moment is different than anything we have had in the 40 years before . . . with inflation proving stickier and interest rates higher than currently expected — and more complicated great-power politics adding to that dynamic," said Kaye, who started at Warburg Pincus in 1986 and has been its chief executive for two decades.

"If you could pick one characteristic of a business and that's how you decide whether to invest, it would be pricing," he told the Financial Times. "Lean into businesses that feel like they have the ability to adapt to a higher inflation environment."

Warburg Pincus is a traditional private equity firm with more than $80bn in assets under management that focused on growth investment. Unlike competitors that have sprawled into other areas, it is still a partnership.

Kaye said that, when the firm looks at a potential investment's product, whether in goods or services, it considers, "what are the alternatives, what is the ease of switching, and what is the contribution to the customer's end-product?"

Researchers suggested that some companies were using shortages – dubbing the process 'greedflation'

The flipside of that advice is that Kaye looks sceptically at lossmaking technology businesses that can no lower rely on free-flowing investor cash to subsidise their services. "When a $4 taco costs $1 to have it delivered, that's one thing. When the $4 taco costs $8 with delivery, that's different," he said.

Pricing power may vary depending on the situation. If something is a relatively small part of the overall cost, customers may not bother to switch suppliers if the price goes up.

It can also be controversial. Researchers at the University of Massachusetts suggested this year that some companies were using pandemic-era shortages to push up margins, dubbing the process "greedflation", although groups such as Procter & Gamble have hit back.

Kaye argued that Warburg does not seek that kind of profit growth. Instead it works "with portfolio companies across every function to help drive efficiency . . . These steps ultimately deliver better value at lower cost and position companies for stable growth."

Overall, he said, investors are having to come to terms with mistakes made in 2021 and earlier. "We all misread the pandemic. We read it as a demand shock and it wasn't really — it was more a substitution of goods for services."

Commodities

Platinum trade expected to hit record deficit this year on faltering supplies

HARRY DEMPSEY

The platinum market is expected to chalk up its largest deficit since records began in the 1970s as supply falters in South Africa and China's industrial expansion powers ahead.

Global platinum demand is forecast to surge 28 per cent this year to 8.2mn ounces after investors piled in, adding to strong industrial consumption and increasing use of the metal in car catalytic converters in the first quarter, according to the World Platinum Investment Council, an industry body.

At the same time ailing output, exacerbated by stuttering electricity supply in top producer South Africa, has pushed the WPIC to revise its deficit forecast up 77 per cent from three months ago, to 983,000 ounces this year.

"It would be a record deficit in ounces since records going back to the 1970s," said Edward Sterck, director of research at WPIC.

He added that the last time 12 per cent of demand could not be met by new supply and recycling was in 1999.

Platinum prices have rallied by nearly a fifth since their February low to $1,080 per ounce and are sitting above their five-year average of $940 per ounce.

The gains have encouraged fund managers to turn to exchange traded funds that track the market and are backed by a physical holding of the metal.

The deficit marks a stark reversal from bumper oversupply for the previous two years when car production was hit by semiconductor shortages.

Platinum is used in catalytic converters that reduce vehicles' harmful emissions, as well as in glass fibre for wind turbines, electronics and petrochemical plants.

Use of platinum in car catalytic converters rose in the first quarter

In the near term, producers said demand was supported by tightening emissions legislation but, in the longer term, uncertainty hangs over whether emerging demand from the hydrogen economy will outweigh the phasing out of combustion engine vehicles.

The forecast comes as the industry gathers in London for its annual Platinum Week conference. The persistent power supply shortages in South Africa, which accounts for 70 per cent of global supply, are likely to be in focus.

Banking turmoil in the US has spurred investors to seek out precious metals, and a growing awareness of the supply deficits for South African fund managers prompted a pivot fro equities to holding platinum-backed ETFs, industry sources said.

WPIC believes that industrial demand in 2023 will be the strongest ever for platinum, despite fears over a global economic slowdown, because of chemical and glass plant expansions in China as well as continuing substitution of platinum for palladium in auto exhausts.

Equities

China state enterprise shares buoyed in search for higher dividend yields

HUDSON LOCKETT AND CHENG LENG
HONG KONG

Investors are ploughing money into shares of China's state-run enterprises as they seek a haven from weakness in the Chinese economy and better returns than those offered by the country's government bond market.

Since the start of April, shares in government-run banks have rocketed with state lenders Bank of China and Industrial and Commercial Bank of China up more than 20 and 10 per cent respectively — in a rare rally for the country's bank shares.

More generally, Hong Kong's Hang Seng Red Chips index of state-run enterprises has climbed about 10 per cent this year compared with a slight loss for the broader Hang Seng China Enterprises index.

The rally in SOE stocks reflects a hunt for higher dividend yield, analysts said, as a range of China-focused investors lose their appetite for government bond yields that have been driven sharply lower by investors' flight to safety in the face of economic uncertainty.

"Funds that chase after absolute returns are hunting for stocks with high dividend yield," said Wang Xin, an analyst with Guosen Securities.

Wang added that the recent gains had been fuelled by buying from a wide range of investors, including local and foreign investors, insurers and even the banks' own investment funds.

The shift into bank stocks reflects investors' appetite for steady and low-risk returns, now more easily satisfied by dividend payments from state stocks than Chinese sovereign bonds.

'Funds that chase after absolute returns are hunting for stocks with high dividend yield'

Where easing measures have pushed yields on 10-year Chinese government debt below 3 per cent, the country's biggest banks, which enjoy substantial state support, are expected to pay yearly dividends of about 6 to 7 per cent, by Macquarie Group estimates.

Dexter Hsu, an analyst with Macquarie, said support from Beijing helped ensure steady and relatively high dividend payments by state banks, allowing them to outperform renminbi bond yields while providing investors with a safer play than private companies.

Wang Qi, chief executive at fund manager MegaTrust Investment in Hong Kong, said SOEs had also become "prime candidates for trading" thanks to a years-long deleveraging campaign by Beijing that had helped make their balance sheets healthier.

Top officials have also been talking up the valuations in the state sector.

China Securities Regulatory Commission chair Yi Huiman last year used a high-profile speech to introduce the phrase "valuation system with Chinese characteristics" that has since become a popular term when analysing the recent surge in value of SOE stocks.

"There aren't any specific policies there beyond the slogan," said Wang.

But while the state sector has found renewed favour, especially among China's many retail investors, analysts said private sector stocks were more likely to outperform if the economy found its footing.

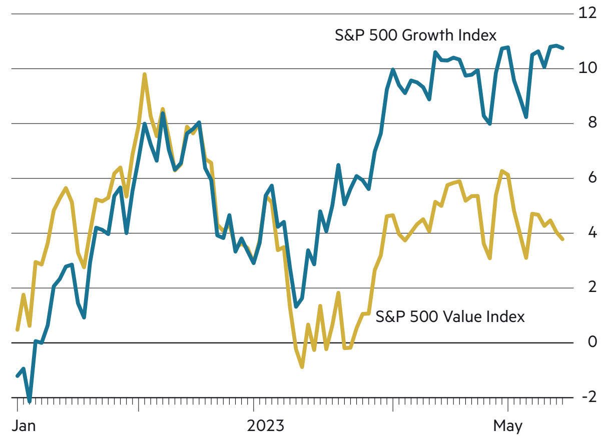
The day in the markets

What you need to know

- **Wall Street techs advance as investors expect interest rates to peak soon**
- **Wider activity remains depressed with waiting game over US debt ceiling**
- **Europe equities edge higher while China-related indices post strong gains**

Investors turn to growth stocks as economic fears rise

Index performance this year (rebased)



Source: Bloomberg

US tech stocks remained the focus of attention yesterday as more data pointing to a cooling economy prompted investors to seek haven in the sector.

The tech-heavy Nasdaq Composite rose 0.4 per cent by midday in New York, extending its gains from the previous week, while Wall Street's benchmark S&P 500 continued to lag, remaining flat.

The day's moves fall into a wider trend of growth stocks outpacing value one since the start of the year. Growth stocks' business models are less cyclical than value stocks and so appeal more to investors in times of economic downturn.

Meanwhile, fresh economic data added to evidence that the US Federal Reserve's aggressive interest rates policy had started to take effect.

The New York Fed said its index measuring manufacturing activity in New York state plummeted from 10.8 to minus 31.8 in May, far below analysts' forecasts of minus 3.8.

May's month-on-month decline echoed a similarly sharp drop in the index during the same month last year, however, suggesting there was a seasonal adjustment problem or "other difficulty" with April data, said Joshua Shapiro, US economist at MFR consultancy.

However, many investors were looking ahead to a breakthrough between the White House and Republicans in Congress over talks to avoid an unprecedented national default.

"The stock market is stuck until we reach a debt ceiling resolution and until we see more clarity from the regional banking sector, which are the two factors weighing on stocks right now," said Brad Bernstein, managing director at UBS Wealth Management in the US.

Yields on interest rate-sensitive two-year Treasury bonds were flat at 4 per cent while those on benchmark 10-year Treasuries gained 4bp to 3.5 per cent as the debt was sold.

The US Dollar index, a gauge of the strength of the currency against a basket of six peers, fell 0.2 per cent, despite data last week showing that US consumer expectations for long-term inflation had reached a 12-year high.

Across the Atlantic, the region-wide Stoxx Europe 600 rose 0.2 per cent while the CAC 40 in Paris and Frankfurt's Xetra Dax both ended the day flat.

Hong Kong's Hang Seng added 1.8 per cent and China's CSI index of Shanghai and Shenzhen stocks climbed 1.6 per cent.

China's renminbi fell to its weakest level against the US currency in two months.
Daria Mosolova

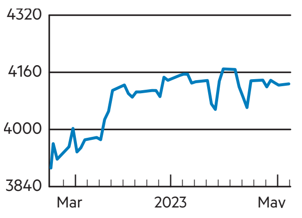
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4127.75	1846.11	29626.34	7777.70	3310.74	108908.94
% change on day	0.09	0.20	0.81	0.30	1.17	0.41
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	102.496	1.087	136.145	1.251	6.952	4.909
% change on day	-0.180	0.092	0.621	0.321	0.027	-0.318
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.500	2.306	0.403	3.951	2.756	11.457
Basis point change on day	4.500	4.000	1.910	3.300	1.700	-4.300
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	429.50	75.34	71.18	2019.90	23.86	3720.70
% change on day	0.21	1.58	1.63	0.20	-4.14	0.81

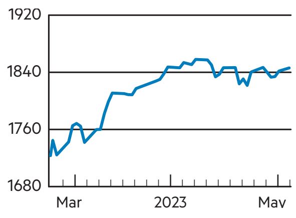
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

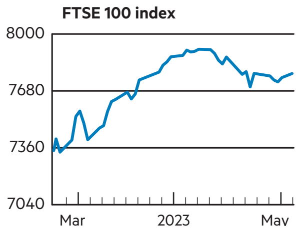
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Western Digital	9.55	Alstom	5.44	3i	2.60
	Comerica	5.58	Aegon	3.12	Centrica	2.44
	Dish Network	5.54	Casino Guichard	3.04	Segro	2.06
	Key	5.39	Axa	2.58	Hsbc Holdings	1.88
	Zions Ban Na	5.31	Gecina	2.56	Anglo American	1.82
Downs	Oneok	-9.09	Bbva	-4.18	Ocado	-2.36
	First Solar	-3.60	Solvay	-2.51	Rolls-royce Holdings	-2.16
	Tractor Supply	-3.39	Air Liquide	-1.94	Dcc	-1.38
	Molina Healthcare	-3.01	Jeronimo Martins	-1.90	London Stock Exchange	-1.15
	Ameren	-3.01	Telecom Italia	-1.61	Tesco	-0.91

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

Memory manufacturer **Western Digital** jumped to the top of the S&P 500 index following a report that it was accelerating plans to merge with Japan's Kioxia.

Reuters said the groups were "nailing down a deal structure". They have had a joint venture for more than 20 years.

Back in 2021, the companies were reportedly in talks that failed to progress.

Burger chain **Shake Shack** rallied off the back of a Wall Street Journal report that said activist investor Engaged Capital was planning to run a proxy battle to gain board seats.

Another WSJ article weighed on **H&R Block** and **TurboTax** parent Intuit, which slid following talk that the Biden administration was considering creating a free, government-run tax-filing service.

Artificial intelligence company **C3.ai** surged after forecasting revenue of $72.1mn to $72.4mn for its fiscal fourth quarter, exceeding company guidance of $70mn to $72mn.

In a sign of heightened interest in AI, C3.ai was at one point the top trending ticker on retail trading platform StockTwits.

Energy infrastructure business **Magellan Midstream Partners** leapt on news that it was being bought by pipeline giant Oneok in a cash-and-stock deal that implied a 22 per cent premium to its most recent closing price. *Ray Douglas*

Europe

Germany's **Ceconomy**, the consumer electronics group, fell sharply after its net loss reached €47mn for its fiscal second quarter, wider than the €21mn loss for the same period a year earlier.

Another German company, digital engineering group **Nagarro**, sank following a cut to its full-year guidance.

Nagarro late on Friday afternoon trimmed its estimate for 2023 revenue from €1.02bn to about €940mn, owing to "January to April developments, including currency movements", it said.

It then released an update yesterday revealing a drop in gross margin to 26.8 per cent in the first quarter, which was "lower than expected mainly due to US dollar headwinds", said Jefferies.

A strong start to 2023 lifted **Dermapharm**, a manufacturer of branded pharmaceuticals, which reported a 38 per cent year-on-year jump in revenue to €319.1mn in the first quarter.

Driving this performance was Dermapharm's January acquisition of France's Arkopharma — a specialist in herbal medicines and food supplements.

In the wake of a sell-off in Turkish banks following a better than expected showing for leader Recep Tayyip Erdoğan in the country's presidential elections, Spain's **BBVA** dipped.

The lender has an 86 per cent stake in Turkey's Garanti Bank. *Ray Douglas*

London

Tumbling to the bottom of the FTSE 250 index was **Wood Group**, which confirmed that US private equity firm Apollo would not be making a firm takeover offer for the energy services business.

This followed a "final" proposal of £2.40 per share in April.

Analysts at Jefferies said they had spoken briefly with Wood, which said "little feedback" had been given on Apollo's reasons for backing out.

Joining Wood at the bottom of the mid-cap index was online fashion retailer **Asos**, which was the subject of cautious analyst coverage.

JPMorgan cut its price target for the retailer on concerns over losses announced last week, which were "understandably weighing on investors' confidence" in second-half profitability.

Shore Capital echoed JPMorgan's fears, saying management's "laser focus on immediate profitability risks stifling future growth prospects", adding that Asos would "need to seek further capital infusion to support its long-term viability".

Electricals retailer **Currys** rallied after lifting its outlook for pre-tax profit to £110mn-£120mn for the year ended April 29, up from a previous £104mn estimate.

This was driven by better than expected trading in the UK, especially in the final two months of its fiscal year.
Ray Douglas

Risk must be repriced with Erdoğan ahead in Turkey's elections

Francesc Balcells

Markets Insight

Debt and currency investors went into the Turkish elections pricing in a high chance of an opposition victory in the first round. Such a victory was meant to bring about a return to economic orthodoxy, even if it was understood that the macro challenges ahead were monumental and opposition unity was anything but guaranteed.

Five-year credit default swaps — a kind of insurance instrument to hedge against debt default — for Turkey had rallied, falling 70 basis points to 480bp going into the election last week. And investors had been buying the external bonds ahead of the event.

Local currency bonds were pricing in large rate rises in anticipation of an opposition-controlled central bank that would be more responsive to inflationary challenges.

This is all gone now: those trades are being unwound with the CDS back up to 605bp and expectation of rate increases is reversing. Not only did the opposition not win outright but the probability of President Recep Tayyip Erdoğan winning in the second round of elections has risen considerably with the ruling Justice and Development party (AKP) and its allies on track to secure a majority in the Turkish Assembly.

There will be a temptation to think that, with Erdoğan more likely to retain control, markets will settle back to the status quo ante before the election.

That's unlikely. For investors, what has kept Turkish risk in check over the past few years has partly been financial repression — or the government's capture of domestic dollar savings and control over financial flows to keep the lira stable — and the selling of assets such as reserves. And the expectation of a change in economic policy direction at some point down the road.

While financial repression will continue under Erdoğan, the room to manoeuvre is getting narrower by the day with each measure imposed by the government having a knock-on effect on different economic actors.

A bank deposit scheme to provide an incentive to locals to keep their savings in lira is posing a large contingent liability to government finances when the lira depreciates against the dollar.

Likewise, the country's and the central bank balance sheets have been run down to exceedingly low levels. Net foreign exchange reserves of the bank are running at levels insufficient to cover the large foreign exchange refinancing needs of the country.

> The country will continue to walk on the edge of the precipice, if only one or two steps closer now

Admittedly, economists and market participants have been pointing out the unsustainability of the Turkish economic model for years but the damage to the balance sheet has never been as deep as it is today. In other words, initial conditions have never been as weak relative to previous crises.

The extent of internal and external imbalances is extreme with both inflation and external deficits running at very elevated levels. The current account deficit was running at $54bn on a 12-month trailing basis in March, close to the all-time highs over the past decade. Meanwhile, inflation, while decelerating somewhat, is still more than 40 per cent year on year.

Political change was meant to be the conduit for a turn in economic policy direction. Absent that, this will now have to come from within the AKP itself.

It is not impossible. Erdoğan could have an ideological epiphany on the economy. Or maybe, with a more comfortable majority in power, he could come to the more prosaic realisation that the only way out from the current economic predicaments is orthodoxy.

There have been market-friendly appointments to key economic posts in the past but those have been shortlived or overpowered by the power of the presidency.

Turkey has had strong financial backers of late, mostly from the Gulf — Saudi Arabia, for example, deposited $5bn into the Turkish central bank in March as the country was dealing with the aftermath of a massive earthquake in February. But even Gulf creditors are becoming more credit sensitive and more attuned to the difficult economic realities globally and on the ground.

The reality is that the history of economic management under the AKP has been one of growth at all costs, no matter the imbalances, with a sharp focus on the next election.

What this means in practical terms is that the country will continue to walk on the edge of the precipice, if only one or two steps closer now.

Markets will have to reprice accordingly, taking a dimmer view on Turkish credit and incorporating a higher probability of a financial accident.

Francesc Balcells is chief investment officer of emerging market debt at FIM Partners

FTWeekend

HTSI, inside FTWeekend
Saturday and Sunday
20–21 May

FT.COM/HTSI

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

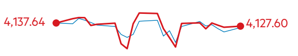
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.09%	0.48%	-0.06%	0.30%	0.20%	0.81%	1.75%	0.21%	0.092%	0.321%	0.621%	-0.230%	0.80%	0.20%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

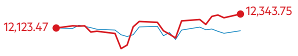
Apr 16 - - Index All World

S&P 500 New York



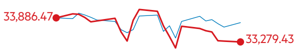
Day 0.09% Month -0.25% Year 2.57%

Nasdaq Composite New York



Day 0.48% Month 1.80% Year 4.54%

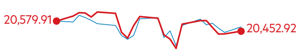
Dow Jones Industrial New York



Day -0.06% Month -1.78% Year 3.37%

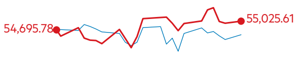
Apr 16 - May 15 Index All World

S&P/TSX COMP Toronto



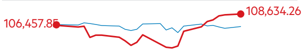
Day 0.39% Month -0.39% Year 1.99%

IPC Mexico City



Day 0.58% Month 1.51% Year 11.50%

Bovespa São Paulo

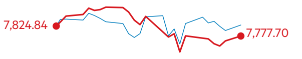


Day 0.41% Month 2.51% Year 1.89%

EUROPE

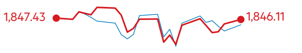
Apr 16 - May 15 Index All World

FTSE 100 London



Day 0.30% Month -1.23% Year 4.81%

FTSE Eurofirst 300 Europe



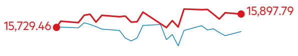
Day 0.20% Month -0.07% Year 8.73%

CAC 40 Paris

Day 0.05% Month -1.35% Year 16.59%

Apr 16 - May 15 Index All World

Xetra Dax Frankfurt



Day 0.02% Month -0.27% Year NaN%

Ibex 35 Madrid

Day -0.35% Month -1.72% Year 10.35%

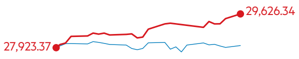
FTSE MIB Milan

Day -0.37% Month -2.25% Year 13.29%

ASIA

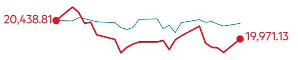
Apr 16 - May 15 Index All World

Nikkei 225 Tokyo



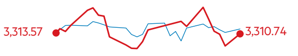
Day 0.81% Month 3.91% Year 12.03%

Hang Seng Hong Kong



Day 1.75% Month -2.35% Year 0.30%

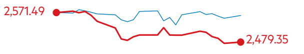
Shanghai Composite Shanghai



Day 1.17% Month -0.82% Year 7.34%

Apr 16 - May 15 Index All World

Kospi Seoul

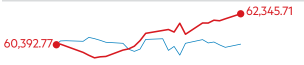


Day 0.16% Month -3.58% Year -4.80%

FTSE Straits Times Singapore

Day 0.19% Month -2.75% Year 0.64%

BSE Sensex Mumbai



Day 0.51% Month 3.11% Year 18.02%

Country	Index	Latest	Previous
Argentina	Merval	315188.92	321529.57
Australia	All Ordinaries	7460.50	7453.20
	S&P/ASX 200	7267.10	7256.70
	S&P/ASX 200 Res	5994.10	5944.40
Austria	ATX	3176.23	3176.93
Belgium	BEL 20	3750.08	3741.07
	BEL Mid	10013.42	10007.06
Brazil	IBovespa	108908.94	108463.84
Canada	S&P/TSX 60	1237.73	1233.25
	S&P/TSX Comp	20498.63	20419.62
	S&P/TSX Div Met & Min	1814.81	1784.95
Chile	S&P/CLX IGPA Gen	28651.32	28503.15
China	FTSE A200	10534.00	10380.56
	FTSE B35	9000.71	8988.96
	Shanghai A	3470.46	3430.21
	Shanghai B	289.94	290.08
	Shanghai Comp	3310.74	3272.36
	Shenzhen A	2127.56	2102.68
	Shenzhen B	1187.35	1182.57
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1345.10	1371.71
Denmark	OMXC Copenahgen 20	2130.72	2137.81
Egypt	EGX 30	17369.13	17270.69
Estonia	OMX Tallinn	1899.86	1907.63
Finland	OMX Helsinki General	10517.31	10490.02
France	CAC 40	7418.21	7414.85
	SBF 120	5651.76	5648.51
Germany	M-DAX	27386.78	27335.32
	TecDAX	3234.14	3230.16
	XETRA Dax	15917.24	15913.82
Greece	Athens Gen	1121.65	1122.75
	FTSE/ASE 20	2730.92	2734.77
Hong Kong	Hang Seng	19971.13	19627.24
	HS China Enterprise	6780.08	6663.55
	HSCC Red Chip	4078.76	4045.82
Hungary	Bux	45929.11	46044.03
India	BSE Sensex	62345.71	62027.90
	Nifty 500	15549.70	15477.35
Indonesia	Jakarta Comp	6711.74	6707.76
Ireland	ISEQ Overall	8629.33	8545.40
Israel	Tel Aviv 125	1811.23	1794.58
Italy	FTSE Italia All-Share	29383.16	29482.74
	FTSE Italia Mid Cap	43189.74	43179.03
	FTSE MIB	27245.46	27347.32
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	29626.34	29388.30
	S&P Topix 150	1818.36	1802.81
	Topix	2114.85	2096.39
Jordan	Amman SE	2481.72	2477.38
Kenya	NSE 20	1472.21	1472.21
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1147.30	1142.02
Lithuania	OMX Vilnius	1009.70	1009.70
Luxembourg	LuxX	1497.02	1485.87
Malaysia	FTSE Bursa KLCI	1417.37	1422.92
Mexico	IPC	55268.76	54948.34
Morocco	MASI	10733.63	10578.97
Netherlands	AEX	756.18	752.99
	AEX All Share	1025.56	1018.84
New Zealand	NZX 50	11937.60	11938.84
Nigeria	SE All Share	52214.62	52161.24
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	41487.58	41325.63
Philippines	Manila Comp	6523.15	6578.15
Poland	Wig	63618.48	63669.39
Portugal	PSI 20	6094.77	6074.44
	PSI General	4674.47	4643.57
Romania	BET Index	12039.54	12039.62
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11348.43	11392.78
Singapore	FTSE Straits Times	3214.72	3208.55
Slovakia	SAX	309.31	309.31
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	78261.65	78330.20
	FTSE/JSE Res 20	69599.97	69836.91
	FTSE/JSE Top 40	72918.29	72961.36
South Korea	Kospi	2479.35	2475.42
	Kospi 200	324.46	323.61
Spain	IBEX 35	9201.50	9234.10
Sri Lanka	CSE All Share	8906.20	8927.74
Sweden	OMX Stockholm 30	2251.24	2236.03
	OMX Stockholm AS	849.34	842.78
Switzerland	SMI Index	11578.25	11564.73
Taiwan	Weighted Pr	15475.05	15502.36
Thailand	Bangkok SET	1542.05	1560.89
Turkey	BIST 100	4568.09	4795.61
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2844.20	2839.10
	FTSE 100	7777.70	7754.62
	FTSE 4Good UK	7115.60	7090.03
	FTSE All Share	4236.96	4224.06
	FTSE techMARK 100	6898.03	6883.93
USA	DJ Composite	11035.35	11062.30
	DJ Industrial	33279.43	33300.62
	DJ Transport	13786.54	13783.19
	DJ Utilities	945.02	959.19
	Nasdaq 100	13390.22	13340.18
	Nasdaq Cmp	12343.75	12284.74
	NYSE Comp	15276.44	15246.36
	S&P 500	4127.75	4124.08
	Wilshire 5000	40728.28	40637.53
Venezuela	IBC	33272.05	34108.56
Vietnam	VNI	1065.71	1066.90
Cross-Border	DJ Global Titans ($)	468.69	467.87
	Euro Stoxx 50 (Eur)	4314.92	4317.88
	Euronext 100 ID	1369.54	1366.85
	FTSE 4Good Global ($)	10549.81	10542.68
	FTSE All World ($)	429.50	428.59
	FTSE E300	1846.11	1842.46
	FTSE Eurotop 100	3661.72	3658.36
	FTSE Global 100 ($)	2800.99	2798.60
	FTSE Gold Min ($)	2034.36	2049.97
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2918.41	2925.55
	FTSE World ($)	781.64	780.29
	FTSEurofirst 100 (Eur)	4931.77	4923.51
	FTSEurofirst 80 (Eur)	5856.83	5858.38
	MSCI ACWI Fr ($)	649.22	650.70
	MSCI All World ($)	2809.35	2814.86
	MSCI Europe (Eur)	1884.41	1877.96
	MSCI Pacific ($)	2758.22	2767.22
	S&P Euro (Eur)	1914.08	1912.39
	S&P Europe 350 (Eur)	1893.72	1889.07
	S&P Global 1200 ($)	3113.30	3103.93
	Stoxx 50 (Eur)	4043.99	4040.71

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	98.2	167.84	-0.14
Nvidia	37.4	287.33	3.93
Apple	29.1	172.35	-0.22
Amazon.com	28.7	110.49	0.23
Advanced Micro Devices	24.2	95.94	0.68
Meta Platforms	22.8	239.34	5.53
Microsoft	22.5	309.78	0.81
Alphabet	19.5	117.48	-0.03
Alphabet	12.4	117.92	0.00
First Solar	9.2	223.36	-8.33

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Western Digital	36.19	3.16	9.55
Comerica	33.76	1.79	5.58
Dish Network	6.50	0.34	5.54
Key	9.48	0.49	5.39
Zions Ban Na	23.62	1.19	5.31
Downs			
Oneok	57.93	-5.79	-9.09
First Solar	223.36	-8.33	-3.60
Tractor Supply	231.78	-8.14	-3.39
Molina Healthcare	289.71	-9.01	-3.01
Ameren	85.08	-2.64	-3.01

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	146.5	2412.00	3.00
British American Tobacco	112.7	2715.00	6.00
Bp	76.5	481.70	-1.30
Hsbc Holdings	73.9	611.00	11.30
National Grid	73.8	1160.50	-1.50
Astrazeneca	73.0	12000.00	-10.00
Glencore	72.2	437.20	4.90
Diageo	70.5	3538.00	3.50
Haleon	69.3	345.55	2.55
Unilever	62.1	4334.00	-19.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Trainline	282.60	14.80	5.53
Cls Holdings	134.40	6.20	4.84
Digital 9 Infrastructure	69.00	2.80	4.23
Genuit	307.50	11.50	3.89
Ithaca Energy	161.00	5.80	3.74
Downs			
Wood (john)	143.60	-75.40	-34.43
Asos	400.50	-104.50	-20.69
Auction Technology	670.00	-40.00	-5.63
Ocado	431.00	-10.40	-2.36
Rolls-royce Holdings	145.10	-3.20	-2.16

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	242.7	117.89	-0.12
Roche Gs	216.4	291.74	-0.51
Unicredit	206.6	18.77	-0.10
Novartis N	205.7	94.93	-0.04
Bayer Ag Na O.n.	158.6	53.19	-0.54
Novo Nordisk B A/s	148.9	156.06	-1.83
Richemont N	140.0	159.75	0.98
Intesa Sanpaolo	124.9	2.42	-0.01
Asml Holding	120.6	595.20	-1.40
Sap Se O.n.	116.0	120.04	-1.24

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Prosus	67.90	2.93	4.51
Axa	27.64	0.70	2.58
Orsted A/s Dk 10	11.91	0.24	2.09
Henkel Ag+co.kgaa Vzo	76.82	1.36	1.80
Lonza N	599.81	10.06	1.71
Downs			
Bbva	6.32	-0.28	-4.18
Air Liquide	160.52	-3.18	-1.94
Deutsche Boerse Na O.n.	171.95	-2.05	-1.18
Novo Nordisk B A/s	156.06	-1.83	-1.16
Sap Se O.n.	120.04	-1.24	-1.02

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nippon Telegraph And Telephone	656.4	4199.00	91.00
Mitsubishi Ufj Fin,.	550.8	884.90	16.40
Softbank .	494.5	4950.00	1.00
Tokyo Electron	488.6	16175.00	-220.00
Olympus	430.8	2273.00	-165.00
Sumitomo Mitsui Fin,.	383.9	5801.00	104.00
Sony	352.8	12875.00	95.00
Rakuten .	334.7	643.00	-64.00
Nintendo Co.,	326.5	5800.00	42.00
Toyota Motor	324.6	1933.00	-9.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Nsk	881.00	105.00	13.53
Mitsubishi Materials	2390.00	165.00	7.42
Nippon Sheet Glass ,	688.00	47.00	7.33
Shiseido ,	6901.00	341.00	5.20
Ajinomoto Co.,.	5094.00	243.00	5.01
Downs			
Rakuten .	643.00	-64.00	-9.05
Olympus	2273.00	-165.00	-6.77
Sumitomo Heavy Industries,	3060.00	-165.00	-5.12
Sumitomo Realty & Development Co.,	3241.00	-131.00	-3.88
Nissan Motor Co.,	512.80	-19.70	-3.70

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	May 15 price(p)	%Chg week	%Chg ytd
Winners			
Melrose Industries	464.30	9.7	14.9
Jd Sports Fashion	174.60	7.3	38.4
3i	1876.00	5.8	39.8
Beazley	614.50	5.7	-9.6
Compass	2167.00	4.7	13.0
Flutter Entertainment	16185.00	4.6	43.4
Convatec	220.60	4.5	-4.7
Halma	2460.00	2.9	24.6
Centrica	117.55	2.9	21.8
Ashtead	4760.00	2.7	0.8
Int Consolidated Airlines S.a.	154.30	2.5	24.6
Rentokil Initial	645.60	2.4	27.1
Losers			
Ocado	431.00	-13.0	-
Land Securities	620.00	-6.9	-0.2
Fresnillo	680.20	-6.8	-
British Land	375.10	-5.8	-5.1
Vodafone	90.03	-5.3	6.9
Dcc	4654.00	-4.3	14.1
Rolls-royce Holdings	145.10	-4.0	55.7
Diageo	3538.00	-3.7	-3.1
Tesco	273.20	-3.5	21.9
Antofagasta	1419.00	-3.4	-8.2
Airtel Africa	116.00	-3.3	3.8
British American Tobacco	2715.00	-3.2	-

FTSE 250	May 15 price(p)	%Chg week	%Chg ytd
Winners			
Bank Of Georgia	3340.00	10.0	28.2
Mitchells & Butlers	195.00	9.4	41.3
Digital 9 Infrastructure	69.00	8.3	-
Diploma	2898.00	7.4	4.4
Virgin Money Uk	153.95	6.6	-
Target Healthcare Reit	81.90	6.4	2.1
Morgan Sindall	1840.00	6.0	24.7
Playtech	614.00	5.0	20.6
Ithaca Energy	161.00	5.0	-
Just	88.80	4.8	8.8
4imprint	4490.00	4.8	5.0
Hg Capital Trust	375.00	4.5	7.0
Losers			
Asos	400.50	-42.5	-
Wood (john)	143.60	-34.5	6.7
Petershill Partners	148.40	-11.2	-
Iwg	150.00	-11.1	-9.6
Tullow Oil	23.46	-10.9	-
Helios Towers	92.15	-8.9	-
Victrex	1522.00	-8.5	-4.7
Bridgepoint	228.00	-7.5	19.6
Genus	2568.00	-7.4	-
Int Distributions Services	228.40	-7.1	7.2
Indivior	1474.00	-6.9	-20.3
Ninety One	172.90	-6.5	-7.0

FTSE SmallCap	May 15 price(p)	%Chg week	%Chg ytd
Winners			
Civitas Social Housing	80.80	45.9	28.1
Triple Point Social Housing Reit	55.70	21.5	-9.1
Seraphim Space Investment Trust	44.00	17.8	-2.7
Esken	5.32	10.8	4.3
Fisher (james) & Sons	380.00	10.5	-2.7
Hostelworld	143.00	10.4	24.1
Fuller, Smith & Turner	554.00	9.5	11.7
Palace Capital	241.50	9.4	11.2
Int Personal Finance	107.00	9.2	46.4
Blackrock Latin American Investment Trust	374.00	8.1	-1.6
Ct Private Equity Trust	528.00	7.3	24.8
Mears	247.00	6.9	18.8
Losers			
Pod Point Holdings	75.40	-11.9	23.6
Reach	77.70	-11.0	-18.3
Helical	274.00	-8.7	-
Invesco Select Trust	164.00	-6.9	-4.5
Ncc	101.60	-6.8	-49.2
Kin And Carta	77.50	-6.6	-
Saga	114.60	-6.1	-8.9
Greencore	82.00	-5.4	27.8
Lsl Property Services	283.00	-5.4	13.2
Metro Bank	94.00	-5.1	-
Sabre Insurance	121.40	-5.0	14.1
Funding Circle Holdings	50.00	-4.9	-9.1

Industry Sectors	May 15 price(p)	%Chg week	%Chg ytd
Winners			
General Retailers	3801.49	4.9	13.2
Nonlife Insurance	3226.36	1.9	-3.7
Industrial Transportation	3491.22	1.7	0.6
Travel & Leisure	7747.47	1.6	24.7
Electricity	11463.64	1.6	7.6
Banks	3596.42	1.6	9.3
General Financial	13446.69	1.3	16.4
Media	9638.57	0.8	6.0
Electronic & Electrical Equip.	10363.50	0.6	19.8
Automobiles & Parts	1698.27	0.5	14.2
Support Services	10427.68	0.5	5.0
Pharmaceuticals & Biotech.	22246.42	0.4	5.7
Losers			
Mobile Telecommunications	2403.96	-4.0	12.3
Beverages	27503.20	-3.4	-1.3
Real Estate & Investment Servic	2280.75	-2.9	7.4
Tobacco	30061.71	-2.8	-
Real Estate Investment Trusts	2261.30	-2.8	1.3
Industrial Engineering	14428.58	-2.2	4.4
Mining	11400.33	-1.7	2.0
Chemicals	11507.46	-1.6	-1.6
Industrial Metals	6327.46	-1.5	-
Food Producers	6597.89	-1.3	16.4
Food & Drug Retailers	4437.74	-1.3	7.6
Software & Computer Services	1947.26	-1.2	10.0

Based on last week's performance. †Price at suspension.

CURRENCIES

May 15	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	230.6250	1.2364	250.5867	1.4138	288.5121	2.4521
Australia	Australian Dollar	1.4953	-0.0079	1.6248	-0.0081	1.8707	-0.0039
Bahrain	Bahrainin Dinar	0.3770	-	0.4096	0.0001	0.4716	0.0015
Bolivia	Bolivian Boliviano	6.9100	-	7.5081	0.0021	8.6444	0.0273
Brazil	Brazilian Real	4.9093	-0.0157	5.3342	-0.0155	6.1415	-0.0001
Canada	Canadian Dollar	1.3492	-0.0039	1.4659	-0.0039	1.6878	0.0004
Chile	Chilean Peso	783.0500	-4.6550	850.8269	-4.8162	979.5962	-2.7144
China	Chinese Yuan	6.9522	0.0019	7.5539	0.0041	8.6971	0.0297
Colombia	Colombian Peso	4514.2500	-52.8500	4904.9831	-56.0209	5647.3310	-48.0915
Costa Rica	Costa Rican Colon	537.8450	-0.3150	584.3982	-0.1771	672.8445	1.7300
Czech Republic	Czech Koruna	21.7386	-0.0087	23.6201	-0.0028	27.1949	0.0749
Denmark	Danish Krone	6.8547	-0.0010	7.4481	0.0010	8.5753	0.0258
Egypt	Egyptian Pound	30.8926	0.0292	33.5665	0.0412	38.6467	0.1583
Hong Kong	Hong Kong Dollar	7.8391	-0.0038	8.5177	-0.0017	9.8068	0.0262
Hungary	Hungarian Forint	339.9752	-0.9362	369.4017	-0.9126	425.3093	0.1744
India	Indian Rupee	82.3063	0.1387	89.4303	0.1760	102.9652	0.4979
Indonesia	Indonesian Rupiah	14800.0000	50.0000	16081.0226	58.8479	18514.8156	120.7635
Israel	Israeli Shekel	3.6625	-0.0112	3.9795	-0.0110	4.5817	0.0005
Japan	Japanese Yen	136.1450	0.8400	147.9290	0.9542	170.3175	1.5849
..One Month		136.1443	0.8387	147.9286	0.9533	170.3168	1.5835
..Three Month		136.1431	0.8362	147.9277	0.9516	170.3154	1.5807
..One Year		136.1380	0.8261	147.9236	0.9433	170.3168	1.5756
Kenya	Kenyan Shilling	137.1000	0.1000	148.9667	0.1507	171.5122	0.6658
Kuwait	Kuwaiti Dinar	0.3069	0.0001	0.3335	0.0001	0.3839	0.0013
Malaysia	Malaysian Ringgit	4.4975	0.0185	4.8868	0.0215	5.6264	0.0408
Mexico	Mexican Peso	17.5770	-0.0390	19.0984	-0.0370	21.9888	0.0207
New Zealand	New Zealand Dollar	1.6086	-0.0047	1.7479	-0.0046	2.0124	0.0005
Nigeria	Nigerian Naira	461.5000	-	501.4451	0.1416	577.3369	1.8215
Norway	Norwegian Krone	10.6309	-0.0688	11.5510	-0.0715	13.2992	-0.0438
Pakistan	Pakistani Rupee	284.8000	-0.4500	309.4509	-0.4014	356.2850	0.5629
Peru	Peruvian Nuevo Sol	3.6548	0.0022	3.9711	0.0035	4.5722	0.0171
Philippines	Philippine Peso	56.0760	0.2760	60.9297	0.3170	70.1511	0.5655
Poland	Polish Zloty	4.1503	-0.0092	4.5095	-0.0087	5.1920	0.0049
Romania	Romanian Leu	4.5479	0.0089	4.9415	0.0110	5.6894	0.0290
Russia	Russian Ruble	79.5750	1.8950	86.4626	2.0829	99.5484	2.6772
Saudi Arabia	Saudi Riyal	3.7501	-0.0001	4.0747	0.0010	4.6914	0.0147
Singapore	Singapore Dollar	1.3379	0.0000	1.4536	0.0005	1.6737	0.0053
South Africa	South African Rand	19.0475	-0.2900	20.6962	-0.3092	23.8284	-0.2865
South Korea	South Korean Won	1336.9000	2.3500	1452.6155	2.9631	1672.4631	8.2074
Sweden	Swedish Krona	10.3626	-0.0144	11.2595	-0.0125	12.9636	0.0229
Switzerland	Swiss Franc	0.8955	-0.0014	0.9731	-0.0012	1.1203	0.0018
Taiwan	New Taiwan Dollar	30.8140	0.0500	33.4811	0.0638	38.5483	0.1840
Thailand	Thai Baht	33.7850	-0.2075	36.7093	-0.2150	42.2651	-0.1254
Tunisia	Tunisian Dinar	3.0697	-0.0119	3.3354	-0.0119	3.8402	-0.0027
Turkey	Turkish Lira	19.6735	0.0840	21.3763	0.0973	24.6116	0.1824
United Arab Emirates	UAE Dirham	3.6721	-	3.9899	0.0011	4.5937	0.0145
United Kingdom	Pound Sterling	0.7994	-0.0025	0.8685	-0.0025	-	-
..One Month		0.7995	-0.0025	0.8684	-0.0025	-	-
..Three Month		0.7996	-0.0025	0.8683	-0.0025	-	-
..One Year		0.7995	-0.0025	0.8673	-0.0025	-	-
United States	United States Dollar	-	-	1.0866	0.0003	1.2510	0.0039
..One Month		-	-	1.0863	-0.1605	1.2511	0.0040
..Three Month		-	-	1.0860	-0.1605	1.2512	0.0039
..One Year		-	-	1.0849	-0.1605	1.2511	0.0040
Vietnam	Vietnamese Dong	23459.0000	5.5000	25489.5264	13.1824	29347.2870	99.4820
European Union	Euro	0.9203	-0.0003	-	-	1.1513	0.0033
..One Month		0.9201	-0.0003	-	-	1.1512	0.0033
..Three Month		0.9198	-0.0003	-	-	1.1511	0.0033
..One Year		0.9187	-0.0003	-	-	1.1501	0.0033

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg May 15	Day's chge%	Euro Index	£ Strlg May 12	£ Strlg May 11	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7777.70	0.30	6980.17	7754.62	7730.58	7418.15	3.63	1.78	15.42	129.51	8126.45
FTSE 250 (250)	19258.75	0.37	17283.94	19188.37	19266.30	19921.89	3.26	0.87	35.43	234.15	16237.93
FTSE 250 ex Inv Co (170)	19922.92	0.37	17880.01	19848.87	19914.82	20580.07	3.35	1.18	25.33	248.11	17145.87
FTSE 350 (350)	4280.84	0.31	3841.88	4267.72	4258.80	4132.07	3.58	1.67	16.76	68.60	8870.52
FTSE 350 ex Investment Trusts (267)	4232.54	0.31	3798.53	4219.63	4209.19	4066.37	3.63	1.82	15.20	69.13	4534.11
FTSE 350 Higher Yield (135)	3630.37	0.40	3258.11	3615.86	3599.53	3618.04	4.95	1.73	11.70	74.73	8527.80
FTSE 350 Lower Yield (215)	4508.40	0.21	4046.10	4498.80	4500.36	4213.40	2.20	1.53	29.60	51.52	5618.16
FTSE SmallCap (228)	6266.58	0.21	5624.00	6253.29	6239.18	6594.48	3.53	-0.50	-57.04	84.79	10699.41
FTSE SmallCap ex Inv Co (120)	5096.30	0.14	4573.72	5089.42	5088.55	5565.84	3.62	1.57	17.59	70.16	9048.23
FTSE All-Share (578)	4236.96	0.31	3802.49	4224.06	4215.22	4099.06	3.58	1.62	17.28	67.66	8865.33
FTSE All-Share ex Inv Co (387)	4154.80	0.30	3728.76	4142.21	4132.09	3999.15	3.63	1.81	15.22	67.72	4518.86
FTSE All-Share ex Multinationals (517)	1107.49	0.49	824.55	1102.06	1103.54	1147.73	3.98	1.06	23.72	17.37	2399.53
FTSE Fledgling (78)	11580.26	0.27	10392.80	11549.31	11528.83	12600.27	3.22	-1.27	-24.37	131.62	25419.11
FTSE Fledgling ex Inv Co (30)	15615.33	0.27	14014.11	15572.63	15456.11	17677.68	3.51	6.21	4.59	226.62	33352.28
FTSE All-Small (306)	4368.37	0.22	3920.44	4358.97	4349.26	4604.89	3.51	-0.54	-53.03	58.57	9565.15
FTSE All-Small ex Inv Co (150)	3836.45	0.14	3443.05	3831.06	3829.32	4195.33	3.62	1.74	15.85	52.90	8626.36
FTSE AIM All-Share (721)	814.85	-0.26	731.29	816.96	815.23	955.60	1.78	1.60	35.25	4.66	963.61
FTSE All-Share Technology (18)	2041.26	-0.13	1759.75	2043.95	2054.42	1803.99	1.87	1.53	34.94	15.02	2980.21
FTSE All-Share Telecommunications (6)	1538.95	0.46	1326.71	1531.89	1543.17	1919.02	6.85	1.07	13.61	1.03	2365.90
FTSE All-Share Health Care (14)	15533.71	-0.02	13391.45	15536.83	15413.06	14675.67	2.35	1.12	37.89	185.25	14567.12
FTSE All-Share Financials (254)	4781.45	0.83	4122.04	4742.14	4738.00	4461.18	3.95	1.27	19.95	121.53	5459.76
FTSE All-Share Real Estate (54)	830.71	1.60	749.17	817.66	828.63	1067.06	4.31	0.69	33.46	13.80	891.77
FTSE All-Share Consumer Discretionary (83)	5195.52	0.38	4479.00	5175.81	5164.54	4674.51	2.18	1.25	36.68	48.79	5565.73
FTSE All-Share Consumer Staples (22)	19389.11	-0.16	16715.15	19420.51	19500.38	19642.71	4.00	1.61	15.49	253.08	18079.59
FTSE All-Share Industrials (84)	6835.82	-0.04	5893.09	6838.87	6826.96	6129.44	2.26	1.22	36.33	69.81	8001.58
FTSE All-Share Basic Materials (21)	7736.02	1.03	6669.14	7656.81	7619.55	8549.97	6.59	3.43	4.43	247.51	10868.55
FTSE All-Share Energy (14)	8595.64	-0.17	7410.21	8610.51	8530.31	8070.66	3.88	1.78	14.52	122.39	10599.85
FTSE All-Share Utilities (8)	9582.71	0.18	8261.16	9565.22	9498.59	9656.48	4.09	0.96	25.36	42.27	14700.97
FTSE All-Share Software and Computer Services (16)	2209.44	-0.13	1904.74	2212.39	2223.81	1942.06	1.85	1.55	34.80	15.79	3412.07
FTSE All-Share Technology Hardware and Equipment (2)	4175.21	-0.01	3599.40	4175.83	4184.85	4871.52	3.14	0.65	49.16	89.37	5528.35
FTSE All-Share Telecommunications Equipment (1)	399.69	0.56	344.57	397.45	401.03	516.82	3.51	2.14	13.28	9.21	584.92
FTSE All-Share Telecommunications Service Providers (5)	2400.32	0.46	2069.29	2389.40	2406.87	2987.54	6.95	1.06	13.62	0.00	3361.88
FTSE All-Share Health Care Providers (3)	11376.02	0.18	9807.15	11355.03	11390.63	8729.01	0.51	7.04	27.74	0.00	10558.79
FTSE All-Share Medical Equipment and Services (2)	6135.42	0.35	5289.28	6114.09	6091.65	6115.21	2.45	1.16	35.02	92.56	6026.64
FTSE All-Share Pharmaceuticals and Biotechnology (9)	22181.42	-0.04	19122.36	22190.92	22006.22	20932.43	2.36	1.11	38.21	263.42	18729.31
FTSE All-Share Banks (12)	3547.86	1.54	3058.57	3493.96	3475.86	3067.39	4.53	2.65	8.32	136.04	3260.07
FTSE All-Share Finance and Credit Services (8)	11585.56	-0.91	9987.79	11692.13	11625.60	10057.66	1.85	1.91	28.19	148.60	15784.65
FTSE All-Share Investment Banking and Brokerage Services (31)	9120.96	0.72	7863.08	9055.49	9041.39	8811.05	4.90	2.06	9.88	177.30	13148.88
FTSE All-Share Closed End Investments (191)	11399.15	0.33	9827.09	11362.08	11400.58	11903.97	2.86	-2.25	-15.53	122.72	7226.38
FTSE All-Share Life Insurance (6)	7082.23	0.85	6105.52	7022.41	7099.48	6531.60	4.54	0.57	38.38	215.96	8942.14
FTSE All-Share Nonlife Insurance (6)	3639.00	0.31	3137.14	3627.75	3583.56	3404.01	4.62	1.24	17.52	56.37	7872.63
FTSE All-Share Real Estate Investment and Services (10)	2180.74	0.82	1879.99	2163.08	2186.88	2503.14	2.26	3.07	14.40	21.39	6593.93
FTSE All-Share Real Estate Investment Trusts (44)	2050.08	1.74	1767.35	2014.95	2042.91	2688.16	4.70	0.48	44.53	36.73	3175.96
FTSE All-Share Automobiles and Parts (3)	1706.98	1.30	1471.57	1685.11	1677.23	2249.36	0.25	-26.35	-15.17	0.00	1775.84
FTSE All-Share Consumer Services (1)	3572.09	0.46	3079.46	3555.60	3484.72	2983.27	1.45	1.37	50.10	36.27	4583.65
FTSE All-Share Household Goods and Home Construction (11)	9964.94	0.58	8590.67	9907.92	9767.20	10554.25	6.89	1.95	7.43	266.65	9227.44
FTSE All-Share Leisure Goods (2)	26529.89	-0.18	22871.14	26576.52	26631.43	18477.87	3.39	1.14	25.82	666.68	30443.94
FTSE All-Share Personal Goods (4)	30415.87	0.33	26221.20	30315.69	30425.95	23185.20	1.86	2.79	19.25	21.42	23941.54
FTSE All-Share Media (11)	9894.90	-0.38	8530.29	9932.49	9930.93	9284.65	2.36	2.00	21.26	128.39	7048.21
FTSE All-Share Retailers (22)	2227.02	0.10	1919.89	2224.75	2227.84	2091.85	2.50	3.23	12.39	8.10	2919.08
FTSE All-Share Travel and Leisure (29)	7556.24	1.18	6514.15	7467.90	7510.03	6389.43	0.66	-7.91	-19.07	24.25	7843.14
FTSE All-Share Beverages (5)	27620.48	0.08	23811.32	27598.25	28183.74	29166.12	2.22	2.34	19.27	220.38	22330.27
FTSE All-Share Food Producers (8)	6771.96	-0.38	5838.04	6797.72	6790.65	6413.81	2.24	2.15	20.75	2.98	6599.37
FTSE All-Share Tobacco (2)	30061.76	0.03	25915.93	30052.80	30199.73	35601.24	8.01	1.52	8.20	675.92	29197.10
FTSE All-Share Construction and Materials (15)	8530.90	0.00	7354.40	8530.64	8550.44	7321.86	2.95	0.53	63.84	166.90	10618.43
FTSE All-Share Aerospace and Defense (8)	6677.13	-0.84	5756.28	6733.49	6676.68	4816.74	1.85	0.20	270.07	74.85	8235.40
FTSE All-Share Electronic and Electrical Equipment (11)	12179.91	0.53	10500.17	12115.68	12079.36	10626.44	1.47	2.34	29.14	46.94	12114.32
FTSE All-Share General Industrials (7)	5185.23	0.03	4470.13	5183.75	5201.17	4944.86	3.33	1.34	22.40	70.97	6957.74
FTSE All-Share Industrial Engineering (6)	15929.10	0.17	13732.31	15902.33	15946.92	15211.01	1.96	2.38	21.35	210.47	21668.94
FTSE All-Share Industrial Support Services (29)	10037.47	-0.07	8653.20	10044.74	10042.83	9881.25	2.05	1.62	30.04	70.31	11643.47
FTSE All-Share Industrial Transportation (8)	5243.89	0.89	4520.70	5197.50	5159.08	4791.37	2.19	1.59	28.68	14.93	5513.96
FTSE All-Share Industrial Materials (1)	19503.64	2.63	638.76	19003.55	19378.62	13402.50	1.74	1.34	42.82	231.04	24947.52
FTSE All-Share Industrial Metals and Mining (8)	6817.70	1.19	5877.46	6737.43	6695.73	7593.26	7.17	3.54	3.94	242.91	10819.09
FTSE All-Share Precious Metals and Mining (5)	10742.90	0.67	9261.34	10671.77	10625.66	9933.54	3.48	1.61	17.83	131.63	7674.09
FTSE All-Share Chemicals (7)	12753.08	-0.20	10994.30	12779.10	12858.33	14183.00	2.78	1.77	20.35	100.06	12910.20
FTSE All-Share Oil. Gas and Coal (13)	8344.27	-0.17	7193.51	8358.66	8280.72	7832.69	3.88	1.78	14.51	118.83	10671.50
FTSE Sector Indices											
Non Financials (324)	**5159.95**	**0.15**	**4630.84**	**5152.09**	**5139.47**	**5042.84**	**3.47**	**1.73**	**16.62**	**68.13**	**9474.61**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7786.06	7777.76	7771.69	7784.56	7792.75	7790.30	7775.13	7770.74	7771.82	7794.74	7762.40
FTSE 250	19251.03	19208.14	19183.67	19215.69	19236.51	19256.93	19235.28	19240.05	19233.55	19264.04	19183.67
FTSE SmallCap	6261.92	6260.03	6258.49	6260.65	6258.13	6256.18	6255.15	6251.13	6251.43	6266.58	6248.80
FTSE All-Share	4240.47	4235.34	4231.80	4238.69	4243.03	4242.49	4234.89	4232.96	4233.26	4244.23	4228.41

Time of FTSE 100 Day's high:11:24:15 Day's Low14:12:45 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7335.40(17/03/2023)

Time of FTSE All-Share Day's high:11:24:00 Day's Low14:13:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 4007.66(17/03/2023)

Further information is available on http://www.ftse.com © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. † Sector P/E ratios greater than 80 are not shown. For changes to FTSE Fledgling Index constituents please refer to www.ftse.com/indexchanges. ‡ Values are negative.

FT 30 INDEX

	May 15	May 12	May 11	May 10	May 09	Yr Ago	High	Low
FT 30	2844.20	2839.10	2833.90	2829.80	2840.10	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2839.1	2848.6	2841.6	2848.7	2851.8	2853	2845.1	2840.3	2841.7	2853.9	2837.4

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	May 12		May 12
FT Wilshire 5000	41490.30	FT Wilshire Mid Cap	5353.70
FT Wilshire 2500	5323.22	FT Wilshire Small Cap	4772.63
FT Wilshire Mega Cap	5407.57	FT Wilshire Micro Cap	4338.92
FT Wilshire Large Cap	5399.67		

Source: Wilshire. Wilshire Advisors LLC (Wilshire) is an investment advisor registered with the SEC. Further information is available at https://www.wilshire.com/solutions/indexes . Wilshire® is a registered service mark. Copyright ©2023 Wilshire. All rights reserved.

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Fixed Line Telecomms	28.60	Banks	9.30	Oil & Gas	2.33
Aerospace & Defense	24.12	Health Care Eq & Srv	8.79	FTSE 250 Index	2.15
Travel & Leisure	20.28	Industrial Eng	7.97	Technology	1.40
Electronic & Elec Eq	20.26	Electricity	7.44	Real Est Invest & Tr	0.79
General Retailers	17.66	Media	7.23	Consumer Goods	0.58
Construct & Material	17.32	Real Est Invest & Se	6.47	FTSE SmallCap Index	0.43
Food & Drug Retailer	15.87	Mobile Telecomms	5.99	Beverages	31.66
Household Goods & Ho	15.59	Health Care	5.97	Beverages	-1.19
Food Producers	15.32	Pharmace & Biotech	5.79	Life Insurance	-1.26
Consumer Services	15.06	Software & Comp Serv	5.45	Chemicals	-1.43
Leisure Goods	15.02	Industrial Metals &	4.72	Equity Invest Instr	-1.59
Gas Water & Multi	14.44	Personal Goods	4.64	Industrial Transport	-3.05
Automobiles & Parts	14.09	Financials	4.53	Nonlife Insurance	-3.42
Telecommunications	12.60	FTSE 100 Index	4.37	Oil Equipment & Serv	-7.02
Utilities	12.55	FTSE All{HY-}Share Index	3.97	Tobacco	-15.67
Financial Services	11.58	Support Services	3.87	Basic Materials	-17.05
Industrials	10.43	NON FINANCIALS Index	3.73	Mining	-18.64
		Oil & Gas Producers	2.39	Tech Hardware & Eq	-20.10

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1876	47.50	Jd Sports Fashion PLC	174.60	1.35
Abrdn PLC	206.50	-0.80	Johnson Matthey PLC	1928.5	-13.00
Admiral Group PLC	2247	-7.00	Kingfisher PLC	249.90	-0.10
Airtel Africa PLC	116.00	0.90	Land Securities Group PLC	620.00	5.60
Anglo American PLC	2380	42.50	Legal & General Group PLC	232.70	1.90
Antofagasta PLC	1419	22.00	Lloyds Banking Group PLC	46.27	0.71
Ashtead Group PLC	4760	43.00	London Stock Exchange Group PLC	8456	-98.00
Associated British Foods PLC	1905.5	-10.00	M&G PLC	200.20	1.05
Astrazeneca PLC	12000	-10.00	Melrose Industries PLC	464.30	2.70
Auto Trader Group PLC	635.00	4.00	Mondi PLC	1297	16.00
Aviva PLC	412.80	0.10	National Grid PLC	1160.5	-1.50
B&M European Value Retail S.A.	495.40	3.80	Natwest Group PLC	264.90	3.60
Bae Systems PLC	980.80	-7.20	Next PLC	6814	-4.00
Barclays PLC	155.02	1.12	Ocado Group PLC	431.00	-10.40
Barratt Developments PLC	504.60	4.20	Pearson PLC	820.20	-2.60
Beazley PLC	614.50	10.50	Pershing Square Holdings LTD	2720	-8.00
Berkeley Group Holdings (The) PLC	4334	-19.00	Persimmon PLC	1336.5	-1.00
BP PLC	481.70	-1.30	Phoenix Group Holdings PLC	576.80	1.40
British American Tobacco PLC	2715	6.00	Prudential PLC	1171	15.00
British Land Company PLC	375.10	4.00	Reckitt Benckiser Group PLC	6510	20.00
Bt Group PLC	153.75	1.35	Relx PLC	2475	-16.00
Bunzl PLC	3176	-10.00	Rentokil Initial PLC	645.60	-
Burberry Group PLC	2525	9.00	Rightmove PLC	563.40	3.20
Centrica PLC	117.55	2.80	Rio Tinto PLC	4963	45.50
Coca-Cola Hbc AG	2560	-1.00	Rolls-Royce Holdings PLC	145.10	-3.20
Compass Group PLC	2167	10.00	Rs Group PLC	857.40	0.60
Convatec Group PLC	220.60	-1.40	Sage Group PLC	812.40	-3.80
Crh PLC	3927	-10.00	Sainsbury (J) PLC	287.50	-1.80
Croda International PLC	6786	-8.00	Schroders PLC	468.50	-0.30
Dcc PLC	4654	-65.00	Scottish Mortgage Investment Trust PLC	623.40	2.40
Diageo PLC	3538	3.50	Segro PLC	820.60	16.60
Endeavour Mining PLC	2076	24.00	Severn Trent PLC	2921	-12.00
Entain PLC	1476.5	10.50	Shell PLC	2412	3.00
Experian PLC	2738	-13.00	Smith & Nephew PLC	1284.5	8.50
F&C Investment Trust PLC	901.00	4.00	Smith (Ds) PLC	313.30	-0.30
Flutter Entertainment PLC	16185	265.00	Smiths Group PLC	1656	5.50
Frasers Group PLC	780.50	3.50	Smurfit Kappa Group PLC	2984	4.00
Fresnillo PLC	680.20	-1.00	Spirax-Sarco Engineering PLC	11090	20.00
Glaxosmithkline PLC	1469.6	-0.60	Sse PLC	1894.5	5.00
Glencore PLC	437.20	4.90	St. James's Place PLC	1132.5	-5.50
Haleon PLC	345.55	2.55	Standard Chartered PLC	619.00	2.80
Halma PLC	2460	17.00	Taylor Wimpey PLC	125.90	1.25
Hargreaves Lansdown PLC	806.40	2.40	Tesco PLC	273.20	-2.50
Hiscox LTD	1170	-	Unilever PLC	4334	-19.50
HSBC Holdings PLC	611.00	11.30	Unite Group PLC	925.00	13.00
Imperial Brands PLC	1873	-12.00	United Utilities Group PLC	1076	-1.00
Informa PLC	700.80	1.20	Vodafone Group PLC	90.03	0.17
Intercontinental Hotels Group PLC	5300	34.00	Weir Group PLC	1787.5	3.50
International Consolidated Airlines Group S.A.	154.30	-0.55	Whitbread PLC	3262	52.00
Intertek Group PLC	4131	13.00	Wpp PLC	893.40	-1.80

FTSE GLOBAL EQUITY INDEX SERIES

May 15 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9502	725.82	-0.2	0.1	6.7	1175.95	7.7	2.3
FTSE Global All Cap	9502	725.82	-0.2	0.1	6.7	1175.95	7.7	2.3
FTSE Global Large Cap	1937	657.38	-0.2	0.5	8.1	1098.20	9.1	2.3
FTSE Global Mid Cap	2227	909.89	-0.2	-1.0	3.0	1385.97	3.9	2.2
FTSE Global Small Cap	5338	924.17	-0.3	-1.4	2.5	1344.92	3.3	2.2
FTSE All-World	4164	428.59	-0.2	0.2	7.2	735.49	8.2	2.3
FTSE World	2657	780.29	-0.2	0.4	7.8	1797.42	8.8	2.3
FTSE Global All Cap ex UNITED KINGDOM In	9221	765.38	-0.2	0.1	6.6	1215.87	7.6	2.2
FTSE Global All Cap ex USA	7711	520.73	-0.3	-0.6	6.5	940.66	8.0	3.2
FTSE Global All Cap ex JAPAN	8080	755.79	-0.2	-0.1	6.6	1235.06	7.6	2.3
FTSE Global All Cap ex Eurozone	8859	763.10	-0.2	0.2	6.1	1208.63	7.0	2.2
FTSE Developed	2148	716.95	-0.2	0.5	7.9	1169.65	8.9	2.1
FTSE Developed All Cap	5779	743.17	-0.2	0.3	7.4	1194.33	8.4	2.1
FTSE Developed Large Cap	816	678.13	-0.2	0.8	9.0	1126.33	10.1	2.1
FTSE Developed Europe Large Cap	205	423.65	-0.1	-0.4	11.9	857.44	14.2	3.1
FTSE Developed Europe Mid Cap	346	626.91	-0.3	0.0	10.7	1092.86	12.0	3.0
FTSE Dev Europe Small Cap	737	856.15	-0.4	0.0	7.0	1436.43	8.5	3.1
FTSE North America Large Cap	234	895.63	-0.2	1.3	9.0	1356.36	9.7	1.7
FTSE North America Mid Cap	413	1104.11	-0.1	-1.7	1.1	1546.69	1.7	1.8
FTSE North America Small Cap	1320	1075.93	-0.2	-1.7	1.3	1443.81	1.9	1.7
FTSE North America	647	579.96	-0.2	0.7	7.4	898.01	8.1	1.7
FTSE Developed ex North America	1501	283.28	-0.2	0.0	8.9	552.38	10.7	3.1
FTSE Japan Large Cap	175	402.64	0.1	3.0	8.5	600.17	9.9	2.5
FTSE Japan Mid Cap	339	562.83	-0.2	3.1	6.4	797.59	7.7	2.5
FTSE Global wi JAPAN Small Cap	908	625.95	-0.4	2.3	5.3	922.32	6.8	2.7
FTSE Japan	514	165.51	0.0	3.0	8.1	276.30	9.4	2.5
FTSE Asia Pacific Large Cap ex Japan	1124	675.89	-0.7	-2.7	0.6	1244.05	1.3	3.2
FTSE Asia Pacific Mid Cap ex Japan	839	983.44	-0.9	-1.7	2.2	1748.22	2.9	3.3
FTSE Asia Pacific Small Cap ex Japan	2098	549.44	-0.6	-3.0	2.9	946.85	3.5	2.9
FTSE Asia Pacific Ex Japan	1963	539.59	-0.8	-2.6	0.8	1055.71	1.5	3.2
FTSE Emerging All Cap	3723	711.98	-0.4	-1.9	1.1	1254.46	1.9	3.6
FTSE Emerging Large Cap	1121	655.52	-0.4	-1.9	0.8	1161.18	1.6	3.6
FTSE Emerging Mid Cap	895	1041.54	-0.4	-1.8	1.9	1852.10	3.1	3.7
FTSE Emerging Small Cap	1707	770.93	-0.2	-2.2	2.3	1298.12	3.1	3.4
FTSE Emerging Europe	147	127.29	-1.1	-4.0	-1.0	271.51	0.7	3.1
FTSE Latin America All Cap	252	762.18	0.8	1.2	9.2	1556.42	11.7	9.0
FTSE Middle East and Africa All Cap	330	704.54	-0.1	-0.2	-2.7	1318.22	-0.8	3.6
FTSE Global wi UNITED KINGDOM All Cap In	281	339.04	-0.2	-0.5	7.9	705.97	9.7	3.6
FTSE Global wi USA All Cap	1791	990.01	-0.2	0.5	6.8	1444.71	7.5	1.6
FTSE Europe All Cap	1470	476.66	-0.1	-0.4	11.1	924.52	13.2	3.1
FTSE Eurozone All Cap	643	469.64	-0.2	-1.4	13.4	902.72	15.4	3.0
FTSE EDHEC-Risk Efficient All-World	4164	474.75	-0.2	-1.2	2.5	756.92	3.5	2.7
FTSE EDHEC-Risk Efficient Developed Europe	551	344.55	-0.2	-0.8	9.8	616.34	11.6	3.1
Oil & Gas	133	385.78	0.3	-6.3	-5.6	805.55	-4.2	5.1
Oil & Gas Producers	88	386.63	0.1	-6.6	-5.1	829.57	-3.6	5.4

May 15 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	25	258.11	-0.1	-6.0	-7.1	488.44	-5.6	4.8
Basic Materials	404	601.64	-0.4	-4.4	0.7	1127.71	2.2	4.2
Chemicals	201	813.82	-0.3	-2.3	4.4	1459.52	5.5	3.1
Forestry & Paper	19	235.28	-1.0	-2.3	-6.6	487.78	-4.5	4.3
Industrial Metals & Mining	104	495.13	-0.1	-8.0	0.2	966.45	1.8	4.8
Mining	80	940.22	-0.8	-5.5	-3.8	1875.05	-1.7	5.5
Industrials	810	512.46	-0.2	-0.4	5.1	826.54	6.1	2.1
Construction & Materials	163	619.08	-0.4	3.1	11.2	1054.97	12.3	2.2
Aerospace & Defense	36	920.34	0.2	-4.3	1.7	1446.34	2.3	1.5
General Industrials	78	255.16	-0.3	0.7	6.9	457.19	8.2	2.5
Electronic & Electrical Equipment	158	635.27	0.1	-1.1	5.9	919.42	6.6	1.6
Industrial Engineering	159	1027.56	-0.3	-0.3	4.6	1654.48	5.7	2.1
Industrial Transportation	129	939.15	-0.1	-0.9	4.1	1552.60	5.5	3.4
Support Services	87	519.79	-0.3	0.1	2.8	779.94	3.6	1.6
Consumer Goods	563	588.15	-0.3	0.8	9.4	1002.79	10.6	2.4
Automobiles & Parts	132	506.58	-1.1	-1.8	16.2	833.64	18.1	2.3
Beverages	71	819.63	-0.1	2.3	5.8	1406.87	6.5	2.2
Food Producers	138	764.80	-0.3	1.5	6.1	1339.08	7.6	2.4
Household Goods & Home Construction	61	582.72	0.4	3.9	8.5	995.18	9.8	2.5
Leisure Goods	54	256.57	0.1	0.6	11.7	365.59	12.4	1.2
Personal Goods	94	1039.95	-0.3	1.1	12.5	1614.78	13.2	1.7
Tobacco	13	949.87	-0.2	-1.6	-4.8	2776.92	-3.3	6.6
Health Care	337	737.56	-0.1	-0.3	1.3	1186.79	2.1	1.8
Health Care Equipment & Services	131	1394.70	-0.1	-0.7	1.1	1718.66	1.4	1.0
Pharmaceuticals & Biotechnology	206	501.56	-0.1	-0.1	1.3	870.63	2.5	2.3
Consumer Services	424	562.48	-0.2	2.5	9.6	808.06	10.1	1.2
Food & Drug Retailers	69	306.81	0.0	-1.4	-2.4	493.68	-1.4	2.5
General Retailers	139	977.47	-0.1	4.3	9.8	1342.69	10.2	1.0
Media	75	321.92	-0.6	-1.9	11.1	465.57	11.7	1.3
Travel & Leisure	141	503.15	-0.2	2.8	13.7	739.00	14.2	1.1
Telecommunication	83	133.65	-0.3	-3.2	3.8	321.41	5.7	4.2
Fixed Line Telecommuniations	29	105.29	-0.5	-5.4	4.6	291.83	6.6	5.0
Mobile Telecommunications	54	157.20	-0.2	-2.0	3.4	325.10	5.1	3.8
Utilities	201	328.74	0.2	-0.1	2.1	781.27	3.4	3.3
Electricity	145	368.23	0.4	-0.1	0.7	860.66	2.0	3.2
Gas Water & Multiutilities	56	332.72	0.0	-0.2	5.3	820.97	7.0	3.7
Financials	854	256.69	-0.4	-0.8	-1.1	501.74	0.3	3.4
Banks	271	190.53	-0.6	-1.0	-3.9	417.69	-1.9	4.5
Nonlife Insurance	72	375.46	-0.2	0.3	2.6	639.47	4.5	3.0
Life Insurance	51	217.02	-1.5	-2.3	-4.7	424.48	-3.5	4.2
Financial Services	213	432.27	-0.2	-0.5	1.9	661.88	2.5	1.8
Technology	355	549.32	-0.2	3.3	24.2	720.13	24.6	0.9
Software & Computer Services	180	839.63	-0.1	5.1	23.9	1018.39	24.1	0.6
Technology Hardware & Equipment	175	480.66	-0.3	1.4	24.6	679.38	25.2	1.3
Alternative Energy	20	163.85	6.3	-1.1	-10.4	235.20	-10.4	0.3
Real Estate Investment & Services	140	242.26	-1.0	-2.0	-3.5	477.51	-2.5	3.4
Real Estate Investment Trusts	107	433.75	-0.1	-0.9	-0.4	1034.13	0.9	4.1
FTSE Global Large Cap	1937	657.38	-0.2	0.5	8.1	1098.20	9.1	2.3

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see https://research.ftserussell.com/Products/indices/Home/indexfiltergeis?indexName=GEISAC&currency=USD&rtn=CAP&segment=global-developed--emerging. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

UK STOCK MARKET TRADING DATA

	May 15	May 12	May 11	May 10	May 09	Yr Ago
Order Book Turnover (m)	281.20	182.08	182.08	214.01	167.40	107.40
Order Book Bargains	462704.00	496286.00	496286.00	551329.00	502398.00	564159.00
Order Book Shares Traded (m)	1385.00	1496.00	1496.00	1725.00	1875.00	3729.00
Total Equity Turnover (£m)	9180.26	6477.62	6477.62	21612.26	12265.54	10751.60
Total Mkt Bargains	628908.00	683233.00	683233.00	741950.00	691711.00	762702.00
Total Shares Traded (m)	6507.00	5286.00	5286.00	5693.00	5393.00	8214.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
For all queries e-mail ft.reader.enquiries@morningstar.com

Data provided by Morningstar | www.morningstar.co.uk

POWERED BY MORNINGSTAR

UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
3i Group	Pre			**4575.000**	4018.000	**475.000**	415.400	**29.75000**	27.25000	Jul 28	**53.000**	46.500
Armadale Capital	Pre	**0.000**	0.000	**0.206L**	0.333L	**0.040L**	0.070L	**0.00000**	0.00000	-	**0.000**	0.000
Baillie Gifford European Growth Trust	Int			**69.167**	142.976L	**21.220**	39.440L	**0.00000**	0.00000	-	**0.700**	0.350
Block Energy	Pre	**8.262**	6.114	**1.608L**	4.783L	**0.002L**	0.008L	**0.00000**	0.00000	-	**0.000**	0.000
Character Group (The)	Int	**57.887**	90.947	**0.201**	6.541	**0.850L**	25.210	**8.00000**	7.00000	Jul 28	**18.000**	16.000
CMO Group	Pre	**83.073**	76.340	**0.175**	4.422L	**0.510**	7.110L	**0.00000**	0.00000	-	**0.000**	0.000
Grainger	Int	**109.600**	125.500	**5.700**	98.800	**0.600**	10.200	**2.28000**	2.08000	Jul 3	**6.170**	5.400
ImmuPharma	Pre	**0.000**	0.118	**4.456L**	8.941L	**1.200L**	3.250L	**0.00000**	0.00000	-	**0.000**	0.000
Ingenta	Pre	**10.451**	10.145	**1.199**	0.727	**9.020**	10.930	**0.00000**	2.00000	-	**1.200**	3.000
Polar Capital Global Healthcare Trust	Int			**8.890**	19.615	**6.970**	15.990	**0.00000**	1.00000	-	**1.100**	2.000
TBC Bank Group	1st	**547.596**	427.190	**296.291**	248.106	**4.570**	4.110	**0.00000**	0.00000	-	**567.200**	401.400

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
05/10	8.50	AIM	GMET	Golden Metal Resources PLC	8.13	-0.13	8.80	7.95	0.0
05/03	100.00		AWEM	Ashoka WhiteOak Emerging Markets Trust plc	104.75	-0.01	105.00	98.50	0.0
04/11	2.50		SCSP	Seed Capital Solutions PLC	0.88	0.00	0.78	0.76	162.2
04/06	144.00	AIM	FADL	Fadel Partners Inc	147.00	0.00	150.00	144.00	2935.3
04/06	6.25		CHSS	World Chess PLC	9.50	0.00	11.50	6.55	6335.6
04/04	16.00	AIM	OHT	Ocean Harvest Technology Group PLC	21.00	0.20	27.00	16.00	2643.0

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	23.53	-0.97	26.08	20.78	6.44	9.82	47259.96
BHP Group	43.85	0.37	50.09	35.83	9.41	10.25	148553.31
CmwBkAu	98.50	-0.46	111.38	86.98	3.57	18.44	111086.13
CSL	307.81	1.45	314.21	254.30	0.99	43.87	99294.53
NatAusBk	26.46	0.05	32.83	25.43	3.41	14.03	55539.31
Telstra	4.35	0.03	4.40	3.62	2.31	35.22	33612.52
Wesfarmers	51.83	0.14	52.79	40.03	3.45	26.52	39305.6
Westpac Bank	21.13	0.04	24.61	18.80	4.22	15.30	49585.57
Woolworths	38.83	0.17	39.88	31.67	2.79	44.08	31646.65
Belgium (€)							
AnBshInBv	56.28	-	62.01	45.56	0.92	29.04	106231.85
KBC Grp	61.62	0.14	72.46	45.53	5.40	10.36	27930.96
Brazil (R$)							
Ambev	14.57	0.12	16.88	12.60	3.80	22.40	46755.33
Bradesco	13.43	0.07	17.71	11.15	6.07	6.33	14581.85
Cielo	5.57	-0.01	6.22	3.16	2.57	19.19	3082.47
ItauHldFin	22.94	-0.02	26.04	18.86	3.31	9.24	23169.15
Petrobras	28.43	-0.71	42.08	23.61	16.57	4.12	43100.07
Vale	69.21	1.13	94.48	61.90	18.43	3.14	63990.38
Canada (C$)							
Bausch Hlth	8.04	0.29	14.54	5.10	-	-2.44	2156.48
BCE	63.76	-0.41	69.50	55.66	5.42	21.62	43108.76
BkMontrl	119.80	0.89	138.85	113.47	3.72	9.33	63329.29
BkNvaS	66.90	0.38	86.22	63.19	5.47	8.48	59413.62
Brookfield	58.88	11.29	63.88	41.28	1.09	19.91	69948.82
CanadPcR	111.02	-0.02	111.47	86.42	0.68	26.92	76615.81
CanImp	56.90	0.47	71.10	53.58	10.41	3.99	38470
CanNatRs	76.06	0.87	87.92	58.75	2.59	11.94	61814.64
CanNatRy	163.32	-0.09	175.39	137.26	1.49	24.03	80539.91
Enbridge	52.01	-0.10	59.69	48.88	6.34	18.37	78061.32
GtWesLif	38.35	0.14	39.12	27.99	4.97	10.91	26469.37
ImpOil	61.98	0.69	79.83	52.67	1.64	18.05	26836
Manulife	25.92	0.34	27.50	20.81	4.45	7.42	35456.49
Nutrien	82.54	1.41	134.19	79.15	2.78	12.00	30391.33
RylBkC	130.59	0.70	140.18	116.75	3.36	11.75	134607.49
SHOP	83.39	0.27	87.53	33.00	-	2.92	82646.71
Suncor En	39.18	0.31	53.62	36.39	2.64	14.34	38298.59
ThmReut	165.69	-1.84	180.93	120.57	1.22	11.56	57823.91
TntoDom	82.67	0.34	97.13	76.40	3.90	10.49	112175.99
TrnCan	55.87	-0.07	74.44	50.70	6.14	30.45	42353.83
China (HK$)							
AgricBkCh	3.13	0.06	3.28	2.20	7.01	3.98	12273.4
Bk China	3.28	0.07	3.45	2.51	6.98	3.93	34988.4
BkofComm	5.31	0.12	5.65	3.83	6.78	4.25	23715.99
BOE Tech	0.67	-0.02	0.85	0.53	-	10.46	17.00
Ch Coms Cons	4.95	0.02	5.52	3.09	4.23	3.98	2790.05
Ch Evrbrght	2.56	0.01	2.86	2.03	9.63	3.35	4140.49
Ch Rail Cons	6.46	0.10	7.46	3.75	4.18	3.33	1711.01
Ch Rail Gp	5.53	0.10	6.30	3.41	3.83	4.31	2968.02
ChConstBk	5.39	0.08	5.90	4.10	7.09	3.79	165303.74
China Vanke	11.54	-0.14	19.90	9.87	12.70	5.04	3248.21
ChinaCitic	4.32	0.07	4.74	2.92	6.69	3.88	8201.26
ChinaLife	15.22	0.54	15.84	8.53	4.62	6.44	14447.34
ChinaMBank	39.85	0.35	53.00	25.40	3.69	7.11	23337.66
ChinaMob	66.15	0.15	70.20	46.80	5.01	9.88	172659.42
ChinaPcIns	25.05	1.10	26.50	12.10	5.40	7.90	8868.47
ChMinsheng	3.27	0.01	3.52	2.19	7.74	4.10	3470.73
ChMrchSecs	14.77	0.35	15.98	12.12	3.08	12.66	15768.2
Chna Utd Coms	5.16	-0.10	6.45	3.30	2.26	24.87	22983.33
ChShenEgy	27.65	0.20	28.70	20.50	7.63	8.12	11912.95
ChShpbldng	4.90	0.37	5.32	3.37	-	-349.94	15565.11
ChStConEng	6.49	-0.04	7.35	4.68	3.45	4.83	38573.41
ChUncHK	6.24	-0.01	6.58	3.27	2.59	13.31	24356.11
CNNC Intl	7.02	-0.14	7.44	5.78	1.85	17.63	19054.05
CSR	4.76	0.07	5.26	2.37	4.47	12.67	2654.15
Daqin	7.73	-0.01	8.21	5.95	6.47	11.25	16530.43
GuosenSec	9.59	-0.01	10.55	8.43	2.50	10.59	12176.39
HaitongSecs	5.50	0.05	6.01	3.77	5.38	5.78	2392.19
Hngzh HikVDT	35.36	-0.09	48.84	26.80	2.36	18.67	46329.01
Hunng Pwr	4.74	-0.18	5.16	2.62	4.29	-5.15	2842.13
IM Baotou Stl	1.86	0.03	2.71	1.75	-	30.42	8474.92
In&CmBkCh	4.42	0.09	4.73	3.37	7.08	3.92	48937.95
IndstrlBk	17.15	0.12	21.00	14.91	4.71	4.52	51247.2
Kweichow	1716.3	9.90	2077	1333	1.17	37.14	310121.71
Midea	0.40	-0.01	0.49	0.32	-	-4.15	15.17
New Ch Life Ins	23.00	0.15	25.00	12.04	6.86	4.23	3034.06
PetroChina	5.42	0.05	5.62	2.95	4.54	10.58	14587.78
PingAnIns	58.05	2.15	63.10	31.30	4.45	8.93	55150.35
PngAnBnk	12.83	0.21	15.27	10.22	1.41	7.36	35812.35
Pwr Cons Corp	7.18	-0.02	8.45	6.76	1.29	14.34	11351.59
SaicMtr	14.07	0.06	19.29	13.72	4.40	6.76	23645.34
ShenwanHong	0.13	0.00	0.18	0.07	-	3.61	141.56
ShgPdgBk	7.69	0.07	8.22	6.63	6.23	4.73	32467.32
Sinopec Corp	5.16	0.03	5.47	3.06	2.78	6.02	16311.56
Sinopec Oil	2.16	-	2.39	1.81	-	689.89	4216.01
Denmark (kr)							
DanskeBk	141.90	1.65	165.35	86.90	1.36	10.04	17848.06
MollerMrsk	12215	105.00	22650	11100	2.70	2.06	14920
NovoB	1162	-13.60	1178.4	720.40	0.78	57.88	295395.08
Finland (€)							
Nokia	3.79	0.02	5.20	3.66	-	13.50	23169.58
SampoA	45.96	0.21	49.97	39.86	3.60	10.12	25517.24
France (€)							
Airbus Grpe	123.06	0.26	129.68	86.52	-	23.33	105684.94
AirLiquide	160.56	-3.14	164.52	114.48	1.66	30.64	91354.47
AXA	27.60	0.66	30.34	20.34	5.01	9.61	68770.66
BNP Parib	58.64	0.15	67.02	40.67	4.41	8.73	78646.16
ChristianDior	833.00	-	872.00	521.50	0.81	31.45	163377.41
Cred Agr	11.68	-0.04	11.94	8.09	6.62	6.60	38395.04
Danone	59.10	0.01	61.88	46.76	3.17	20.79	43399.2
EDF	12.00	-	12.05	7.27	3.93	9.55	52166.81
Engie SA	14.78	-0.09	15.56	10.07	3.47	10.77	39114.23
EssilorLuxottica	184.76	-1.38	188.28	132.70	0.57	58.27	89874.26
Hermes Intl	1979.2	3.80	2027	957.60	0.22	87.87	227028.03
LOreal	421.20	0.10	442.60	300.45	0.92	53.07	245287.23
LVMH	881.10	-4.30	904.60	535.00	0.77	38.15	480642.85
Orange	11.56	-0.01	11.94	9.08	5.02	3967.17	33400.28
PernodRic	214.10	-	218.00	166.60	1.41	33.43	60006.66
Renault	33.41	-0.15	43.96	22.33	-	-25.80	10735.25
Safran	139.64	-0.36	143.68	87.85	0.30	1444.55	64826.76
Sanofi	99.68	0.38	105.18	76.45	3.10	20.84	136699.69
Sant Gbn	54.09	0.58	58.53	35.18	2.43	13.38	30313.95
Schneider	158.46	0.30	160.22	110.02	1.59	28.91	98328.21
SocGen	22.28	0.22	28.39	18.97	2.40	3.89	19561.09
Total	55.88	0.12	60.93	45.81	4.67	11.10	151200.47
UnibailR	49.68	0.06	73.09	39.68	-	-7.44	7615.7
Vinci	109.22	-0.02	112.40	80.84	2.38	25.05	70079.21
Vivendi	9.74	0.02	11.45	7.59	5.96	-17.99	11669.37
Germany (€)							
Allianz	210.55	-1.45	228.40	156.22	4.41	13.76	92267.82
BASF	47.73	0.63	53.77	37.90	6.68	8.17	46351.6
Bayer	53.30	-0.43	67.49	46.70	3.63	54.06	56895.5
BMW	100.08	0.67	109.84	68.44	1.84	5.52	65462.41
Continental	66.44	-0.04	79.24	44.31	-	10.59	14438.57
Deut Bank	9.72	0.11	12.09	7.25	-	9.89	21552.09
Deut Tlkm	21.84	0.18	23.13	17.35	2.66	25.97	118330.46
DeutsPost	40.91	-0.28	44.64	29.68	3.27	10.71	55070.65
E.ON	12.06	-0.01	12.29	7.28	3.77	6.93	34611.45
Fresenius Med	43.78	0.02	57.52	25.95	2.96	13.68	13938.03
Fresenius SE	27.78	0.13	34.32	19.69	3.13	9.08	16858.11
HenkelKgaA	69.06	0.90	69.90	56.55	2.56	19.00	19494.43
Linde	336.40	-3.05	344.00	261.20	1.07	54.06	179226.62
Mercedes-Benz	68.00	0.14	75.92	50.19	1.92	7.03	79045.73
MuenchRkv	325.30	-1.70	342.90	212.70	2.91	16.08	48235.53
SAP	120.34	-0.94	124.60	79.58	1.49	27.91	160634.32
Siemens	150.62	0.52	152.20	93.67	2.25	23.43	130925.53
Volkswgn	146.70	-1.05	217.00	144.35	3.16	5.13	47036.61
Hong Kong (HK$)							
AIA	82.10	2.35	93.65	57.25	1.51	20.29	121694.91
BOC Hold	24.65	0.15	31.85	23.55	4.68	12.22	33245.79
Ch OSLnd&Inv	19.50	-0.10	25.60	14.40	5.72	4.68	27225.51
ChngKng	46.30	0.70	57.00	42.90	3.55	10.23	21219.21
Citic Ltd	10.18	0.18	10.86	7.01	4.91	4.55	37776.91
Citic Secs	16.82	0.10	18.52	11.60	2.64	8.36	5621.74
CK Hutchison	52.35	0.55	56.85	38.55	4.04	6.41	25577.12
CNOOC	12.88	0.26	13.36	9.22	3.26	10.86	73241.41
HangSeng	113.70	0.30	141.40	108.30	4.98	17.67	27729.6
HK Exc&Clr	313.40	3.80	404.20	208.20	2.71	34.12	50686.63
MTR	39.25	0.55	43.70	33.15	2.91	27.44	31053.22
SandsCh	26.45	0.60	30.20	12.50	-	-28.21	27307.63
SHK Props	105.10	1.90	114.80	83.10	4.37	11.60	38850.74
Tencent	341.00	12.80	397.60	188.69	0.44	12.96	417071.82
India (Rs)							
Bhartiartl	797.05	5.10	860.55	628.75	-	166.62	57795.06
HDFC Bk	1675.8	8.00	1734.45	1271.6	-	27.82	113681.93
Hind Unilevr	2662.25	38.85	2741.6	2100	1.23	69.83	75999.08
HsngDevFin	2784.35	8.05	2867	2026	0.84	23.21	62070.15
ICICI Bk	945.75	1.85	958.20	669.95	0.22	29.38	80291.43
Infosys	1258.35	13.15	1672.6	1185.3	2.46	24.34	63429.98
ITC	427.80	7.35	433.45	253.00	2.57	34.80	64596.61
L&T	2246.85	25.75	2416.35	1456.35	0.82	36.49	38365.08
OilNatGas	165.60	0.10	169.00	119.85	5.62	4.59	25311.52
RelianceIn	2489.25	4.90	2817.35	2180	0.29	27.89	204632.51
SBI NewA	581.90	3.75	629.55	430.70	0.70	15.89	63096.47
SunPhrmInds	953.00	-3.00	1070.95	789.90	0.80	34.77	27781.22
Tata Cons	3255.05	-19.25	3575	2926.1	1.14	30.44	144708.27
Israel (ILS)							
TevaPha	30.16	-	38.39	23.83	-	23.56	9194.48
Italy (€)							
Enel	6.02	-0.04	6.26	3.96	5.89	28.96	66478.8
ENI	13.35	-0.04	14.98	10.45	4.88	5.81	52285.31
Generali	18.87	0.15	19.23	13.67	7.53	10.96	31961.93
IntSPaolo	2.42	-0.01	2.60	1.58	1.46	77.61	48083.94
Unicred	18.77	-0.10	20.05	8.24	0.62	28.83	39581.47
Japan (¥)							
AstellasPh	2176	47.00	2205	1823.5	2.31	30.73	28923.77
Bridgestne	5635	97.00	5682	4548	3.22	12.02	29539.75
Canon	3245	23.00	3516	2754.5	3.28	14.73	31790.09
CntJpRwy	17080	80.00	17920	14730	0.83	-30.04	25843.62
Denso	8263	-9.00	8330	6389	1.85	21.24	47822.46
EastJpRwy	8104	4.00	8280	6525	1.35	-7.63	22496.34
Fanuc	4588	28.00	24930	4409	10.76	5.12	34021.09
FastRetail	31950	310.00	33220	19140	1.79	14.07	74678.91
Fuji Hvy Ind	2244.5	-7.50	2684	1938.5	2.72	24.19	12680.71
Hitachi	7970	122.00	7970	5983	1.58	10.96	54915.88
HondaMtr	3749	8.00	3849	2990.5	3.76	7.44	49880.98
JapanTob	3032	17.00	3049	2266	4.92	14.48	44540.74
KDDI	4503	88.00	4636	3825	2.91	14.15	76162.28
Keyence	66220	700.00	66260	44880	0.33	51.91	118294.56
MitsbCp	5387	40.00	5460	3740	2.80	11.27	57702.27
MitsubEst	1027.46	14.55	1028.49	876.51	-	-	-
MitsubishiEle	1718	-9.00	1788	1273	2.54	14.40	27095.32
MitsuiFud	923.02	10.17	1007.12	684.38	-	-	-
MitUFJFin	884.90	16.40	999.50	632.60	3.21	8.41	82466.19
Mizuho Fin	2021.5	12.00	2238	1486.5	4.22	9.06	37703.14
Murata Mfg	7909	92.00	8811	6438	1.66	14.89	39258.36
Nippon TT	4199	91.00	4334	3674	2.73	12.40	111710.55
Nissan Mt	512.80	-19.70	577.60	408.10	-	15.27	15897.62
Nomura	497.00	7.90	573.90	464.30	5.05	-31.35	11804.18
Nppn Stl	2859	-	3294	1838	3.06	4.14	19956.44
Panasonic	1382.5	11.50	1386.5	1006.5	1.97	12.82	24919.99
Seven & I	6365	58.00	6619	5041	1.76	22.21	41442.61
ShnEtsuCh	3960	-10.00	21055	3797	8.00	3.48	58874.94
Softbank	4950	1.00	7180	4708	0.97	3.90	53446.51
Sony	12875	95.00	12965	9213	0.51	15.08	119258.35
SumitomoF	5801	104.00	6261	3842	3.76	10.35	58574.19
Takeda Ph	4490	41.00	4629	3497	4.38	14.78	52183.4
TokioMarine	2815	81.00	3000	2200	8.53	4.20	41404.65
Toyota	1933	-9.00	2267	1764	2.88	8.00	231641.82
Mexico (Mex$)							
AmerMvl	19.96	0.49	21.27	15.67	1.55	16.99	47919.75
FEMSA UBD	177.30	-0.01	179.89	120.63	1.09	152.57	21799.91
WalMrtMex	73.21	-0.86	79.15	64.81	0.66	38.40	72728.49
Netherlands (€)							
ASML Hld	595.60	-1.00	637.50	375.75	0.55	47.56	260891.77
Heineken	104.90	1.25	106.30	78.28	0.90	18.81	65652.56
ING	11.68	-0.01	13.55	8.43	4.97	9.82	45942.97
Unilever	49.90	-0.06	50.93	40.28	2.87	25.61	157497.91
Norway (Kr)							
DNB	185.75	1.60	209.50	168.20	10.43	10.66	27246.12
Equinor	300.90	-1.25	410.95	278.70	1.82	11.65	89879.84
Telenor	122.85	-0.25	135.80	87.60	8.16	18.64	16172.12
Qatar (QR)							
QatarNtBk	16.62	-	23.00	14.31	3.13	13.00	42172.89
Saudi Arabia (SR)							
AlRajhiBnk	75.50	-0.10	7317	0.00	2.92	13.91	80529.04
Natnlcombnk	36.45	-0.30	1552.5	0.00	3.66	13.30	43523.83
SaudiBasic	92.50	-0.50	2115	0.00	3.23	13.08	73996.05
SaudiTelec	44.90	-0.75	8480	0.00	8.19	8.63	59863.45
Singapore (S$)							
DBS	30.96	0.30	36.40	29.45	3.64	13.08	59676.32
JardnMt US$	50.67	-0.06	59.48	42.60	3.14	9.13	14765.15
OCBC	12.26	0.01	13.23	11.20	3.13	12.59	41183.8
SingTel	2.55	-0.02	2.82	2.31	2.69	44.34	31463.39
UOB	27.98	0.21	31.40	25.91	3.24	12.83	35036.79
South Africa (R)							
Firstrand	61.56	-0.04	72.95	56.80	4.71	9.96	18129.42
MTN Grp	115.44	-1.47	176.83	107.35	-	14.08	11419.88
Naspers N	3274.2	108.35	3510	1454.08	0.20	15.75	74862.86
South Korea (KRW)							
HyundMobis	225000	-	239500	189500	1.85	8.45	15868.16
KoreaElePwr	19280	-420.00	24000	16500	6.61	-10.84	9258.03
SK Hynix	86400	-800.00	115000	60600	1.85	5.95	47048.7
SmsungEl	64500	400.00	79000	51800	2.33	10.75	288017.77
Spain (€)							
BBVA	6.32	-0.28	7.56	3.97	5.68	8.90	41422.08
BcoSantdr	3.15	0.01	3.87	2.32	2.35	6.52	56280.56
CaixaBnk	3.36	0.01	4.14	2.64	0.78	22.86	27397.11
Iberdrola	11.84	-0.03	11.96	9.09	3.45	21.01	82931.25
Inditex	31.25	-0.24	32.10	19.92	0.68	34.09	105825.42
Repsol	13.30	0.14	16.23	11.19	4.36	8.39	19175.23
Telefonica	3.93	0.05	5.06	3.22	8.52	2.96	24530.36
Sweden (SKr)							
AtlasCpcoB	132.25	-	134.30	22.08	5.84	8.42	19920.27
Ericsson	54.85	0.86	82.25	53.36	4.33	7.71	16262.41
H & M	142.84	-0.16	157.30	98.27	4.66	18.78	20134.18
Investor	215.70	0.55	221.95	158.20	1.71	8.85	37924.05
Nordea Bk	108.30	1.30	134.94	88.32	14.26	12.06	37673.99
SEB	115.20	1.65	133.50	99.42	9.26	9.19	23952.13
SvnskaHn	88.04	1.10	112.90	80.88	6.00	8.24	16522.71
Swedbank	168.75	2.80	219.90	124.50	9.11	8.60	18434.17
Telia Co	27.04	0.22	41.15	25.54	7.82	9.10	10671.4
Volvo	207.00	0.40	219.75	154.28	3.32	12.86	31730.65
Switzerland (SFr)							
ABB	33.10	-0.02	33.25	23.84	2.28	16.62	72618.02
CredSuisse	0.76	0.00	6.76	0.66	11.89	-1.25	3410.68
Nestle	114.86	-0.12	124.10	103.42	2.17	20.88	342444.53
Novartis	92.49	-0.04	93.95	73.33	2.96	10.52	235211.8
Richemont	155.65	0.95	161.10	90.28	1.14	38.85	90725.59
Roche	284.25	-0.50	335.85	256.05	2.81	19.94	222995.3
Swiss Re	89.78	-0.22	99.68	68.16	5.98	22.71	31829.5
Swisscom	594.60	4.20	619.40	443.40	3.36	18.52	34393.88
UBS	17.24	-	20.85	13.87	2.04	8.32	59669.08
Zurich Fin	430.30	3.10	461.20	384.70	4.23	15.01	72294.13
Taiwan (NT$)							
Chunghwa Telecom	125.50	0.50	130.50	105.50	3.51	26.58	31594.69
Formosa PetChem	85.30	0.80	97.90	75.20	0.71	15.99	26369.95
HonHaiPrc	102.00	-0.50	116.00	98.00	4.03	10.01	45889
MediaTek	680.00	7.00	935.00	533.00	5.60	9.41	35300.08
TaiwanSem	495.50	-0.50	560.00	370.00	2.22	19.19	416996.78
Thailand (THB)							
PTT Explor	32.25	-	38.50	29.50	5.85	9.11	27265.38
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	2380	42.50	4036	2320	7.49	4.71	39824.8
AscBrFd	1905.5	-10.00	2076	1223	0.33	31.50	18543.38
AstraZen	12000	-10.00	12828.45	9399	1.73	2031.83	232663.23
Aviva	412.80	0.10	538.42	341.92	5.17	54.32	14244.11
Barclays	155.02	1.12	198.86	128.12	1.94	3.76	30155.51
BP	481.70	-1.30	570.57	359.20	3.27	17.48	106054.64
BrAmTob	2715	6.00	3645	2697	7.94	9.18	75942.53
BT	153.75	1.35	196.60	22.98	-	14.93	19103.64
Compass	2167	10.00	2190	1630.5	0.65	52.73	47303.8
Diageo	3538	3.50	3960	3413.5	2.05	27.22	99671.62
GlaxoSmh	1469.6	-0.60	2753.96	16.64	5.44	16.97	75284.42
Glencore	437.20	4.90	584.50	395.40	2.03	16.00	68451.27
HSBC	611.00	11.30	653.80	434.70	2.64	13.35	152673.28
Imperial Brands	1873	-12.00	2185	1680	7.37	6.26	21564.94
Jardine Mathes.	62.50	-	55.30	46.89	2.54	11.26	18212.4
LlydsBkg	46.27	0.71	54.33	38.51	5.55	6.43	38006.91
LSE Group	8456	-98.00	8893.86	6710	0.91	86.46	53573.21
Natl Grid	1160.5	-1.50	1271.45	844.29	4.24	27.05	53387.68
Natwest Group	264.90	3.60	308.65	210.90	3.96	10.43	31414.18
Prudential	1171	15.00	1336	782.40	1.01	19.02	40332.34
ReckittB	6510	20.00	6824	5502	2.68	-28.17	58336.39
RELX	2475	-16.00	2735	2064	1.93	32.65	58851.82
RioTinto	4963	45.50	6329	4424.5	10.12	5.19	77667.79
RollsRoyce	145.10	-3.20	160.00	64.44	-	98.71	15188.86
Shell PLC	2412	3.00	2613.5	1908.6	2.51	12.71	206417.53
StandCh	619.00	2.80	797.40	515.60	1.43	13.88	21860.67
Tesco	273.20	-2.50	307.23	194.35	3.35	13.91	24981.25
Unilever	4334	-19.50	4868.64	3407.5	3.34	22.25	136806.48
Vodafone	90.03	0.17	132.10	83.24	8.59	-201.41	30403.06
WPP	893.40	-1.80	1082	713.00	2.97	17.02	12010.46
United States of America ($)							
21stC Fox A	30.77	0.05	37.26	28.02	1.41	13.49	8277.52
3M	100.15	-0.12	152.50	99.27	5.46	10.71	55247.27
AbbottLb	109.72	-0.77	118.23	93.25	1.52	30.15	190797.24
Abbvie	146.19	-0.96	168.11	134.09	3.29	24.54	257921.51
Accenture	277.53	0.34	322.88	242.80	1.23	30.51	183890.18
Activision Bli.	78.23	0.86	87.01	70.94	0.55	24.62	61355.79
Adobe	342.23	6.78	451.15	274.73	-	36.45	156980.9
Advanced Micro	95.94	0.68	109.57	54.57	-	40.42	154498.12
AEP	90.00	-1.66	105.60	80.30	3.08	19.65	46247.95
Aflac	65.92	-0.19	74.02	52.07	1.85	11.17	39830.64
AirProd	278.31	0.31	328.56	218.88	1.99	31.65	61817.86
Allstate	117.42	-0.84	142.15	103.20	2.55	7.49	30864.07
Alphabet	117.48	-0.03	122.43	83.34	-	1.13	697948.68
Altria	45.44	-0.24	54.89	40.35	7.16	36.71	81103.27
Amazon	110.49	0.23	146.57	81.43	-	1.85	1133615.18
AmerAir	14.19	0.17	18.22	11.65	-	-4.10	9264.12
AmerExpr	149.00	1.07	182.15	130.65	1.15	15.67	110742.87
AmerIntGrp	52.10	-0.40	64.88	45.66	2.27	5.21	37703.89
AmerTower	198.55	-1.74	282.47	178.17	2.42	37.98	92532.88
Amgen	232.83	-0.12	296.67	223.30	2.79	24.52	124407.26
Amphenol Corp	75.14	0.04	82.86	61.67	0.96	32.41	44732.27
Analog Devices	182.20	1.63	198.25	133.48	1.41	66.24	92163.71
Anthem	482.58	12.71	-	-	-	-	-
Aon Cp	334.96	-1.21	338.27	246.21	0.55	65.34	68414.08
Apple	172.35	-0.22	176.15	124.17	0.46	30.95	2710870.1
Applied Materi.	119.32	3.23	125.62	71.12	0.73	17.82	100839.62
Aptiv	93.44	0.75	124.88	77.96	-	52.15	25276.12
ArcherDan	75.75	0.37	98.28	70.02	1.80	17.12	41256.09
AT&T	16.96	-0.07	21.53	14.46	11.33	6.65	121247.04
Autodesk	195.70	1.25	235.01	163.20	-	93.70	42033.03
AutomData	213.39	0.65	274.92	196.61	1.66	35.76	88156.27
AutoZone	2700	-29.06	2750	1703.32	-	26.41	49673.8
Avago Tech	635.10	3.95	648.50	415.07	2.19	38.83	264786.13
BakerHu	27.99	0.33	38.66	20.42	2.44	70.13	28330.96
Bank of NY	40.65	0.50	52.26	36.22	2.95	10.63	32078.29
BankAm	27.60	0.51	38.60	26.32	2.61	8.37	219948.62
Baxter	42.67	0.20	77.08	37.35	2.35	18.26	21584.62
BectonDick	250.11	-2.40	269.06	215.90	1.24	46.85	71034.97
BerkshHat	492391.55	1209.05	506000	393012.25	-	8.97	288466.6
Biogen	309.57	-0.03	319.74	188.54	-	32.23	44807.88
BlackRock	644.72	-0.38	785.65	503.12	2.37	18.26	96554.98
Boeing	202.12	1.42	221.33	113.02	-	-30.61	121594.08
Booking Holdings	2644.18	13.36	2731.75	1616.85	-	101.63	97659.22
Bristol-Myers	67.94	-0.12	81.44	65.28	2.73	23.58	142731.55
Broadcom	635.10	3.95	648.50	415.07	2.19	38.83	264786.13
Cadence Design	200.65	-0.51	217.67	135.47	-	86.90	54714.04
CapOne	88.14	1.80	128.95	83.93	2.10	3.54	33652.4
CardinalHlth	84.75	-0.02	85.93	49.70	2.13	47.54	21577.37
Carnival	10.18	0.35	14.96	6.11	-	-1.31	11361.02
Caterpillar	211.02	1.48	260.50	160.60	1.87	19.31	108750.35
Centene Corp	66.60	-0.57	98.53	61.71	-	31.63	36548.03
CharlesSch	50.74	1.80	86.63	45.00	1.31	19.41	89766.28
Charter Comms	339.10	1.01	515.66	297.66	-	15.00	51060.06
Chevron Corp	157.16	0.54	189.68	132.54	3.12	20.90	297762.17
Chipotle Mexic.	2040	-5.63	2077.29	1196.28	-	96.45	56283.27
Chubb	198.57	-1.71	230.27	173.78	1.48	11.16	82240.56
Cigna	254.52	-2.06	340.11	240.11	1.45	17.52	75303.92
Cintas Corp	468.21	-6.15	478.39	343.86	0.72	44.44	47617.8
Cisco	47.00	0.29	52.56	38.61	2.94	18.06	192483.22
Citigroup	45.94	0.49	66.00	40.01	4.10	4.91	89433.78
CME Grp	185.44	0.49	212.09	166.55	1.79	27.54	66705.46
Coca-Cola	63.94	-0.17	66.38	54.02	2.43	30.77	276513.53
Cognizant	62.13	0.47	75.40	51.33	1.43	16.61	31640.26
ColgtPlm	81.04	-0.94	83.81	67.84	2.04	34.41	67228.21
Comcast	40.16	-0.05	44.66	28.39	2.30	14.30	167058.71
ConocPhil	99.44	0.52	138.49	78.30	1.81	17.74	120322.19
Constellation	228.42	0.67	261.32	208.12	1.24	-1113.56	41853.85
Corning	30.93	-0.07	37.73	28.98	2.87	26.16	26290.29
Corteva	57.40	0.38	68.43	50.03	0.86	26.21	40800.56
Corteva	57.40	0.38	68.43	50.03	0.86	26.21	40800.56
Costco	501.91	-2.16	564.75	406.51	0.59	43.38	222588.66
CrownCstl	114.68	-2.01	193.95	114.43	4.40	46.50	49733.42
CSX	31.99	0.17	34.71	25.80	1.13	19.13	65027.26
CVS	68.35	-0.24	107.26	68.10	2.70	12.44	87620.02
Danaher	226.46	-0.89	303.82	225.62	0.37	27.97	167100.87
Deere	371.38	-2.60	448.40	283.81	0.98	22.08	110048.17
Delta	33.50	0.27	42.45	27.20	-	43.53	21530.95
Devon Energy	47.84	0.32	79.40	44.03	3.80	12.36	31287.36
Digital Realty	97.30	0.20	141.77	85.76	4.40	17.73	28346.61
DiscFinServ	96.04	0.81	118.71	87.64	1.81	5.83	24388.98
Disney	91.73	-0.26	126.48	84.07	-	57.74	167618.69
Dollar General	217.46	-1.05	261.59	183.25	0.72	22.93	47647.33
DominRes	54.80	-0.39	86.28	52.03	4.25	18.60	45809.59
DukeEner	96.32	-1.14	114.50	83.76	3.74	21.15	74225.32
DuPont	65.37	1.60	78.40	49.52	1.70	21.91	30003.63
Eaton	170.01	1.43	178.75	122.50	1.65	34.47	67765.99
eBay	45.29	0.38	50.82	35.92	1.47	129.04	24207.65
Ecolab	173.59	-0.60	179.77	131.04	1.04	48.07	49424.71
Edwards Lifesc.	89.02	-0.16	107.92	67.13	-	40.50	53965.55
Eli Lilly	430.91	-3.52	445.54	283.11	0.73	76.23	409051.2
Emerson	83.18	0.66	99.65	72.41	2.25	19.66	47537.37
EOG Res	111.26	0.84	150.88	92.16	1.34	15.08	65071.37
Equinix	737.26	-1.97	752.63	494.89	1.44	144.34	68950.96
EquityResTP	62.44	-0.36	80.89	54.60	3.56	19.73	23658.81
Exelon	40.74	-1.01	49.86	35.19	3.47	25.35	40518.74
ExxonMb	105.47	0.60	119.92	80.69	3.06	21.18	426393.41
Fedex	221.64	-1.29	248.76	141.92	1.19	12.91	55709.64
Fidelity NIS	55.26	0.19	106.65	48.57	2.61	89.30	32738.04
Fiserv	119.46	0.01	122.39	87.03	-	64.99	75035.97
FordMtr	11.62	-0.05	16.68	10.61	0.79	2.83	45665.65
Franklin	24.49	-0.01	32.88	20.24	4.26	7.01	12263.64
GenDyn	210.32	0.36	256.86	205.40	2.05	19.72	57698.26
GenElectric	101.33	2.53	102.95	46.77	0.29	-33.75	110339.09
GenMills	89.97	-0.65	90.89	64.94	2.11	25.73	52841.35
GenMotors	32.21	-0.20	43.63	30.33	-	5.20	44768.93
GileadSci	77.87	-0.30	89.74	57.17	3.37	17.10	97131.35
GoldmSchs	320.94	1.44	389.58	277.84	1.87	5.84	106695.89
Halliburton	29.02	0.41	43.99	23.30	0.83	17.65	26181.7
HCA Hold	276.27	0.40	294.02	164.47	0.64	14.14	76026.69
Hew-Pack	29.25	0.35	40.79	24.08	2.65	5.71	28809.7
Hilton Worldwi.	142.45	0.87	152.89	108.41	-	105.64	37696.05
HiltonWwde	142.45	0.87	152.89	108.41	-	105.64	37696.05
HomeDep	288.38	-2.09	347.25	264.51	2.13	19.91	292033.48
Honywell	194.00	0.38	220.96	166.63	1.79	26.55	129141.29
HumanaInc	522.07	-5.28	571.30	410.87	0.50	24.93	65230.03
IBM	123.19	0.35	153.21	115.55	4.91	25.60	111864.38
IDEXX Laborato.	488.30	0.83	515.79	317.06	-	61.47	40479.66
IllinoisTool	229.66	1.14	247.09	173.52	1.90	29.22	69794.31
Illumina	202.49	-6.12	258.07	173.45	-	-43.50	32012.88
Intcntl Exch	109.50	0.91	113.07	88.60	1.11	16.51	61305.43
Intel	29.40	0.45	44.93	24.59	4.37	6.55	122606.55
Intuit	422.09	-5.53	490.83	351.90	0.56	57.23	118415.83
John&John	159.65	-1.13	183.35	150.11	2.42	22.13	414887.9
JohnsonCn	62.40	0.37	69.15	45.52	1.70	30.85	42812.57
JPMrgnCh	134.87	0.77	144.34	101.28	2.60	9.51	394129.05
Kimb-Clark	143.61	-1.04	147.87	108.74	3.03	29.18	48451.14
KinderM	16.60	-0.21	20.20	15.78	6.18	38.81	37192.94
KLA Corp	395.26	8.29	428.28	250.20	0.91	22.02	54229.24
Kraft Heinz	40.19	-0.48	44.53	32.73	3.68	53.06	49316.54
Kroger	48.90	-0.29	54.70	41.82	1.49	24.16	35080.57
LasVegasSd	60.13	0.01	65.58	30.14	-	-43.11	45955.64
LibertyGbl	17.38	0.15	25.13	15.22	-	0.80	2974.44
Lilly (E)	430.91	-3.52	445.54	283.11	0.73	76.23	409051.2
Linde	367.02	-3.32	373.58	262.47	1.07	54.28	179961.1
Lockheed	450.71	-0.08	508.10	373.67	2.28	20.95	114143.46
Lowes	200.68	-2.58	221.42	170.12	1.39	17.88	119676.77
Lyondell	89.86	0.60	117.22	71.46	4.56	5.80	29230.34
Marathon Ptl	110.64	0.76	138.83	77.62	1.94	59.30	46942.65
Marsh&M	180.82	-0.40	182.43	143.33	1.37	30.11	89455.51
MasterCard	381.96	0.04	387.46	276.87	0.54	47.21	359152.07
McDonald's	295.66	-0.48	298.86	228.34	1.64	31.88	215838.26
McKesson	388.88	-1.09	401.78	298.69	0.42	47.68	52733.01
Medtronic	89.60	0.72	106.33	75.77	2.57	26.47	119205.96
Merck	115.84	-1.30	119.65	83.05	2.10	25.81	293936.58
Meta	239.34	5.53	244.92	88.09	-	18.82	529456.75
Metlife	49.96	-0.27	77.36	49.20	3.51	7.40	38256.58
Microsoft	309.78	0.81	313.00	213.43	0.69	35.72	2303364.6
Mnstr Bvrg	59.59	0.05	60.47	41.95	-	25.10	59590
MondelezInt	77.72	-0.17	78.59	54.72	1.58	27.68	105836.44
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	82.57	0.18	100.99	72.05	2.35	11.13	137901.29
Netflix	338.19	-1.70	373.83	164.28	-	32.58	150337.93
NextEraE	77.33	-0.63	91.35	68.53	1.94	109.98	156471.22
Nike	119.78	-0.43	129.23	82.22	0.90	33.90	147579.93
NorfolkS	212.40	0.49	264.22	196.33	1.81	18.99	48350.65
Northrop	437.27	-1.49	556.27	433.18	1.30	10.87	66403.58
NXP	166.11	1.56	198.28	132.08	1.25	26.49	43105.55
Occid Pet	58.49	0.40	77.13	54.30	0.06	30.74	52158.18
Oracle	97.62	-0.24	97.96	60.78	1.22	39.96	263541.17
Pepsico	194.46	-1.66	196.88	154.86	2.02	38.35	267906.2
Perrigo	34.90	-0.31	43.90	30.78	2.54	-38.56	4722.87
Pfizer	37.11	-0.24	54.93	37.10	3.88	10.22	209497.34
Phillips66	93.16	-0.06	113.53	74.02	3.59	33.96	42747.61
PhilMorris	94.63	-0.49	109.81	82.85	4.78	17.57	146884.37
PNCFin	113.36	1.78	176.47	110.31	3.91	9.66	45242.89
PPG Inds	139.21	1.11	145.51	107.06	1.58	33.07	32771.09
ProctGmbl	155.79	-0.17	158.11	122.18	2.12	28.67	367192.25
Prudntl	79.08	0.14	110.96	75.37	5.37	4.39	28862.38
PublStor	295.08	-0.92	357.13	270.13	2.50	32.37	51877.74
Qualcomm	104.69	1.07	156.66	101.93	2.37	12.98	116624.66
Raytheon	96.37	0.38	104.91	80.27	1.92	40.44	140810.26
Regen Pharm	746.33	1.98	837.55	538.01	-	11.23	80235.7
S&P Global	359.99	0.65	395.80	279.32	0.79	31.16	115916.78
Salesforce	205.07	3.26	206.28	126.34	-	148.60	201139.62
Schlmbrg	44.42	0.35	59.45	30.65	1.04	36.43	63077.67
Sempra Energy	150.81	-2.48	176.47	136.54	2.69	40.72	47452.45
Shrwin-Will	225.55	-1.89	278.31	195.24	0.90	34.98	58165.87
SimonProp	106.54	0.19	129.55	86.02	6.20	16.86	34835.72
SouthCpr	71.43	1.94	82.05	42.42	4.14	17.62	55218.79
Starbucks	106.47	0.35	115.48	70.33	1.60	31.15	122051.48
StateSt	68.01	1.47	94.74	58.62	2.96	10.24	22880.86
Stryker	287.79	2.32	306.56	188.84	0.83	59.80	109245.54
Sychrony Fin	27.62	0.54	40.89	26.59	3.03	3.94	11837.12
T-MobileUS	144.13	0.01	154.38	121.76	-	64.75	172940.5
Target	159.62	1.63	223.30	137.16	1.85	12.14	73673.02
TE Connect	120.99	0.53	138.24	104.76	1.51	17.80	38123.95
Tesla Mtrs	167.84	-0.14	314.67	101.81	-	37.09	531969.6
TexasInstr	163.97	2.09	186.30	144.46	2.37	21.49	148828
TheTrvelers	181.23	-0.86	194.45	149.65	1.85	12.10	41859.88
ThrmoFshr	521.95	-2.70	611.06	475.77	0.18	29.04	201327.23
TJX Cos	78.89	-0.10	83.13	53.69	1.23	31.34	90841.27
Truist Financial Corp	27.64	0.34	52.22	25.56	6.22	6.69	36807.55
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	198.20	-0.79	242.36	183.69	2.16	19.83	120841.64
UPS	168.18	-0.32	209.39	154.87	2.24	12.40	121893.45
USBancorp	29.53	0.40	53.37	27.27	5.51	6.27	45259.48
UtdHlthcre	484.32	-6.91	558.10	449.70	1.07	29.00	450917.43
ValeroEngy	110.86	0.34	146.81	96.93	3.27	52.88	40077.77
Verizon	36.89	-0.71	52.18	34.55	6.35	7.51	154912.68
VertexPharm	348.68	1.27	354.46	240.25	-	41.90	89802.45
VF Cp	21.59	0.30	51.40	20.03	8.43	7.66	8391.1
Visa Inc	231.70	0.32	235.57	174.60	0.53	41.53	374942.36
Walgreen	31.17	0.10	44.96	30.39	5.68	4.89	26889.03
WalMartSto	152.47	-0.60	154.64	117.27	1.35	33.58	411264.47
Walt Disney	91.73	-0.26	126.48	84.07	-	57.74	167618.69
Waste Manage.	168.58	-0.66	175.98	138.89	1.26	42.55	68581.16
WellsFargo	38.78	1.29	48.84	35.25	1.84	8.49	145511.23
Williams Cos	28.91	-0.38	37.97	27.80	5.24	25.24	35211.7
Workday	184.77	2.01	206.68	128.72	-	1651.36	38021.1
Yum!Brnds	137.74	-0.77	143.25	103.97	1.34	28.62	38579.18
Zoetis	183.18	-0.45	187.82	124.15	0.50	46.45	84647.39
Zoom	64.75	1.06	124.05	60.45	-	15.43	16006.32
Venezuela (VEF)							
Bco de Vnzla	4.34	-0.03	4.59	0.57	119.34	-	623.08
Bco Provncl	8.26	-0.01	70000	6.80	-	0.00	121.94

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Fresenius SE	27.78	27.65	0.13	0.47	2.23	9.3	9.28
Alphabet	117.48	117.51	-0.03	-0.03	9.74	9.0	7.87
Petrobras	28.71	29.14	-0.43	-1.48	2.35	7.2	-3.66
MitsbCp	5387.00	5347.00	40.00	0.75	315.00	7.1	6.83
CharlesSch	50.74	48.94	1.80	3.68	1.31	6.5	-0.08
Hind Unilevr	2662.25	2623.40	38.85	1.48	122.65	6.5	4.97
PTT Explor	32.25	32.25	0.00	0.00	1.75	5.7	2.38
McKesson	388.88	389.97	-1.09	-0.28	21.41	5.5	7.43
KDDI	4503.00	4415.00	88.00	1.99	142.00	5.4	10.80
ItauHldFin	22.98	22.96	0.02	0.09	1.12	5.2	4.55
Accenture	277.53	277.19	0.34	0.12	12.37	4.8	-0.56
Compass	2167.00	2157.00	10.00	0.46	88.00	4.7	5.76
AstellasPh	2176.00	2129.00	47.00	2.21	49.00	4.6	11.60
Cred Agr	11.63	11.72	-0.08	-0.72	0.58	4.5	6.13
Keyence	66220.00	65520.00	700.00	1.07	2110.00	4.4	6.66
Amazon	110.49	110.26	0.23	0.20	4.43	4.4	7.77
CNOOC	12.88	12.62	0.26	2.06	0.28	4.4	2.06
Bradesco	13.41	13.36	0.05	0.37	0.50	4.3	8.23
ThmReut	167.15	167.53	-0.38	-0.23	7.16	4.2	-3.90
AmerMvl	19.59	19.47	0.12	0.62	0.61	3.9	1.19

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Disney	91.73	91.99	-0.26	-0.28	-10.98	-10.9	-8.16
Walt Disney	91.73	91.99	-0.26	-0.28	-10.98	-10.9	-8.16
Ch Rail Cons	6.46	6.36	0.10	1.57	-0.84	-10.3	5.56
SouthCpr	71.43	69.49	1.94	2.78	-9.46	-9.5	-11.31
Bayer	53.19	53.73	-0.54	-1.01	-4.97	-9.4	-9.42
LibertyGbl	17.38	17.23	0.15	0.87	-1.76	-8.5	-8.50
Ch Rail Gp	5.53	5.43	0.10	1.84	-0.58	-8.0	1.65
Pwr Cons Corp	7.18	7.20	-0.02	-0.28	-0.54	-7.2	-7.95
BMW	99.99	99.41	0.58	0.58	-8.13	-7.0	-7.07
Metlife	49.96	50.22	-0.27	-0.53	-3.47	-7.0	-17.58
CSR	4.76	4.69	0.07	1.49	-0.42	-6.8	-3.64
Ch Coms Cons	4.95	4.93	0.02	0.41	-0.38	-6.8	-2.36
Baxter	42.67	42.47	0.20	0.47	-3.14	-6.4	-0.85
ChStConEng	6.49	6.53	-0.04	-0.61	-0.39	-6.2	0.00
Devon Energy	47.84	47.52	0.32	0.67	-3.48	-6.2	-14.07
Nutrien	81.77	81.13	0.64	0.79	-5.90	-6.0	-15.82
Chna Utd Coms	5.16	5.26	-0.10	-1.90	-0.23	-6.0	-11.03
AirProd	278.31	278.00	0.31	0.11	-17.58	-5.8	-2.76
Nike	119.78	120.21	-0.43	-0.36	-6.67	-5.6	-4.86
New Ch Life Ins	23.00	22.85	0.15	0.66	-1.50	-5.5	16.28

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

May 15	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

May 15	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

May 15	Rate	Current	Since	Last
US	Fed Funds	4.75-5.00	22-03-2023	4.75-4.50
US	Prime	8.25	04-05-2023	8.00
US	Discount	5.00	02-05-2023	4.75
Euro	Repo	3.25	02-05-2023	2.899
UK	Repo	4.50	11-05-2023	4.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

May 15 (Libor: May 12)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06143	0.000	4.136	-0.002	5.10543	5.31829	5.34314	5.25600
Euro Libor	-0.64957	-0.064	-0.224	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	-0.043	0.001	4.20130	4.68770	4.74470	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.02617	0.07165	0.04867
Euro Euribor				0.003	3.16200	3.34800	3.63800	3.79900
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.010	5.14000	5.26000	5.29000	
Euro CDs				0.000	3.14000	3.30000	3.52000	

May 15	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	2.89	3.19	2.92	3.22	2.99	3.29	3.15	3.45	3.37	3.67	3.45	3.75
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	4.89	5.09	4.90	5.10	5.04	5.24	5.16	5.36	5.19	5.39	4.98	5.18
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15	0.05	-0.05	0.15	0.00	0.20

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	210.89	-0.24	0.56	3.52	0.42	5.05
Corporates(£)	331.08	-0.23	-0.16	2.46	-0.12	-8.10
Corporates(€)	212.82	-0.15	0.24	2.66	0.81	-3.84
Eurozone Sov(€)	212.89	-0.28	0.27	2.59	0.57	-8.72
Gilts(£)	269.09	-0.46	-0.63	-0.18	-2.52	-18.01
Overall(£)	279.85	-0.39	-0.48	0.49	-1.91	-15.49
Overall(€)	209.22	-0.24	0.30	2.47	0.63	-7.48
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	621.73	2.23	-	-	-8.60	-0.03
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	449.05	-2.84	-0.58	20.38	510.17	424.31
Europe 5Y	86.47	-0.02	0.13	4.86	101.15	79.69
Japan 5Y	77.17	-1.76	-3.54	-6.56	99.54	77.13
Senior Financials 5Y	101.35	-0.21	-1.36	6.77	124.01	91.28
Markit CDX						
Emerging Markets 5Y	248.41	1.70	0.92	16.75	265.81	229.64
Nth Amer High Yld 5Y	496.56	-0.62	3.96	37.55	509.56	458.20
Nth Amer Inv Grade 5Y	80.84	-0.08	0.35	6.90	88.71	73.57

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	May 15	Day Chng	Prev	52 wk high	52 wk low
VIX	17.34	0.31	17.03	35.05	15.53
VXD	15.91	-0.27	16.18	37.57	10.88
VXN	20.01	0.48	19.53	41.32	5.85
VDAX	17.67	0.23	17.44	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility.
‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	84.01	3.32	-0.06	0.00	-0.02	-0.12
	02/50	1.00	101.80	1.54	-0.09	-0.02	0.05	0.08
Austria	02/29	0.50	88.43	2.69	0.04	-0.02	-0.08	1.62
	02/47	1.50	72.90	3.13	0.03	-0.02	0.03	1.60
Belgium	06/27	0.80	93.12	2.59	0.04	0.00	-0.09	1.80
	06/47	1.60	70.78	3.39	0.04	-0.02	0.01	1.48
Canada	03/25	1.25	95.68	3.76	0.08	0.02	0.06	1.11
	06/30	1.25	89.76	2.87	0.07	-0.01	0.03	0.02
	12/48	2.75	95.38	3.01	0.00	-0.08	0.01	0.11
Denmark	11/29	0.50	88.39	2.45	0.04	-0.03	-0.10	1.35
	11/52	0.25	51.99	2.60	0.04	0.00	0.03	1.27
Finland	09/24	0.00	96.33	2.84	0.05	-0.01	-0.03	2.53
	09/29	0.50	87.33	2.70	0.05	-0.02	-0.09	1.62
France	05/28	0.75	91.48	2.58	0.04	-0.02	-0.08	1.68
	05/48	2.00	78.42	3.28	0.04	-0.03	0.01	1.48
Germany	08/29	0.00	87.43	2.17	0.04	-0.02	-0.09	1.46
	08/50	0.00	52.82	2.37	0.04	-0.01	0.04	1.35
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	101.44	3.41	-0.05	-0.10	-0.22	1.08
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	95.44	2.60	0.05	-0.01	-0.07	1.96
	02/45	2.00	80.69	3.25	0.05	-0.03	0.02	1.46
Italy	02/25	0.35	95.13	3.30	0.07	0.06	-0.03	2.14
	05/30	0.40	90.79	1.81	0.07	-0.01	0.08	1.63
	03/48	3.45	84.12	4.52	0.03	0.00	0.08	1.50
Japan	04/25	0.05	100.04	0.03	-0.01	-0.02	-0.02	-0.02
	12/29	0.10	99.58	0.16	-0.01	-0.04	-0.04	-0.02
	12/49	0.40	81.44	1.22	0.00	-0.04	-0.04	0.25
Netherlands	07/27	0.75	93.33	2.45	0.04	-0.02	-0.10	1.76
	01/47	2.75	100.51	2.72	0.05	-0.01	0.03	1.52
New Zealand	05/31	1.50	83.09	3.99	-0.11	-0.07	-0.08	0.31
	09/40	2.50	124.27	2.32	-0.09	0.06	0.08	0.54
Norway	08/30	1.38	88.30	3.21	0.03	0.05	0.05	0.42
Poland	-	-	-	-	-	-	-	-
	07/27	2.50	88.26	5.73	-0.02	-0.09	-0.20	-1.32
	04/47	4.00	76.70	5.83	-0.02	-0.02	-0.10	-0.48
Portugal	04/27	4.13	105.42	2.65	0.04	-0.01	-0.07	1.53
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	85.95	3.03	0.04	-0.01	-0.04	1.55
	10/46	2.90	85.48	3.85	0.04	-0.01	0.05	1.53
Sweden	06/30	0.13	114.24	0.59	-0.01	-0.19	-0.15	1.49
	03/39	3.50	114.92	2.36	0.02	-0.10	-0.07	0.46
Switzerland	04/28	4.00	115.11	0.84	0.05	-0.15	-0.12	0.54
	06/29	0.00	94.75	0.89	0.01	-0.11	-0.10	0.49
United Kingdom	07/23	0.75	99.33	4.36	0.01	-0.02	0.10	3.22
	07/27	1.25	90.74	3.65	0.05	0.00	-0.01	2.32
	07/47	1.50	59.16	4.21	0.06	0.02	0.11	2.21
United States	-	-	-	-	-	-	-	-
	03/25	0.50	93.65	4.05	0.09	0.08	-0.06	1.34
	02/30	1.50	88.38	3.44	0.09	0.03	-0.05	0.63
	02/50	0.25	71.07	1.58	0.00	-0.01	0.03	0.92

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

May 15	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 0.75pc '23	99.36	4.25	0.95	-0.47	-0.47	263.25	99.52	97.34	34.36
Tr 0.125pc '24	97.13	4.27	0.95	2.15	4.91	236.22	98.06	94.34	35.55
Tr 2pc '25	95.80	3.92	0.77	1.29	8.29	201.54	102.26	93.15	39.93
Tr 0.125pc '26	90.79	3.73	0.81	1.08	8.12	184.73	95.73	86.33	35.32
Tr 1.25pc '27	90.63	3.69	1.10	1.37	8.21	169.34	99.42	85.65	40.99
Tr 0.5pc '29	83.34	3.77	1.07	1.07	6.80	144.81	95.39	78.21	28.92
Tr 1pc '32	79.66	3.76	1.35	1.08	7.12	116.09	123.11	78.92	35.96
Tr 4.25pc '36	102.96	3.95	1.28	1.28	7.34	102.56	127.80	94.91	31.68
Tr 4.5pc '42	104.00	4.20	1.20	1.69	7.69	106.90	141.61	93.79	28.35
Tr 3.75pc '52	91.93	4.23	0.95	1.68	8.46	113.64	140.41	82.51	25.11
Tr 4pc '60	97.43	4.14	1.22	1.97	9.52	119.05	157.65	87.32	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	May 15	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.37	-0.07	2355.79	-0.02	-2.86	3.87
2 5 - 10 Years	147.30	-0.28	3143.57	-0.49	-10.69	3.70
3 10 - 15 Years	155.21	-0.47	3615.80	-1.04	-16.15	3.96
4 5 - 15 Years	148.08	-0.34	3254.96	-0.67	-12.29	3.81
5 Over 15 Years	205.55	-0.75	3574.20	-2.93	-31.35	4.17
7 All stocks	133.27	-0.37	2999.36	-1.19	-17.18	4.05

Index Linked	May 15	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	326.11	-0.08	-0.18	-0.07	2771.69	-0.01	1.03
2 Over 5 years	526.02	-1.09	-3.98	-33.12	4021.14	-3.86	-32.75
3 5-15 years	451.71	-0.49	-1.99	-14.48	3669.31	-1.84	-13.76
4 Over 15 years	579.70	-1.51	-5.36	-41.93	4298.06	-5.27	-41.71
5 All stocks	501.69	-0.92	-3.35	-29.18	3913.88	-3.23	-28.72

Yield Indices	May 15	May 12	Yr ago		May 15	May 12	Yr ago
5 Yrs	3.66	3.62	1.36	20 Yrs	4.20	4.16	2.05
10 Yrs	3.83	3.78	1.76	45 Yrs	4.04	4.00	1.79
15 Yrs	4.08	4.04	1.99				

Real yield	inflation 0% May 15	Dur yrs	Previous	Yr ago	inflation 5% May 15	Dur yrs	Previous	Yr ago
Up to 5 yrs	0.71	2.35	0.67	-4.51	0.36	2.36	0.32	-4.91
Over 5 yrs	0.73	19.06	0.67	-1.77	0.71	19.11	0.65	-1.79
5-15 yrs	0.46	9.27	0.40	-2.52	0.38	9.28	0.33	-2.59
Over 15 yrs	0.80	25.75	0.74	-1.67	0.79	25.76	0.73	-1.67
All stocks	0.73	16.22	0.67	-1.80	0.70	16.29	0.64	-1.82

See FTSE website for more details www.ftse.com/products/indices/gilts
©2018 Tradeweb Markets LLC. All rights reserved. The Tradeweb FTSE Gilt Closing Prices information contained herein is proprietary to Tradeweb; may not be copied or re-distributed; is not warranted to be accurate, complete or timely; and does not constitute investment advice. Tradeweb is not responsible for any loss or damage that might result from the use of this information.

Tradeweb

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jun	70.60	0.56	Corn♦	Jul	592.50	6.25
Brent Crude Oil‡		75.34	1.17	Wheat♦	Jul	651.25	16.25
RBOB Gasoline†	Jul	2.43	0.00	Soybeans♦	Jul	1404.25	14.25
Natural Gas†	Jun	2.31	0.04	Soybeans Meal♦	Jul	439.70	6.80
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)✠	Jul	2257.00	-11.00
Aluminium		2257.50	13.50	Cocoa (ICE US)♥	Jul	2959.00	-27.00
Aluminium Alloy		2150.00	-75.00	Coffee(Robusta)✠	May	2621.00	39.00
Copper		8282.00	39.00	Coffee (Arabica)♥	Jul	185.45	2.60
Lead		2073.00	-0.50	White Sugar✠		716.70	1.60
Nickel		21815.00	-395.00	Sugar 11♥		26.10	-0.12
Tin		25090.00	195.00	Cotton♥	Jul	82.35	1.82
Zinc		2545.00	-9.50	Orange Juice♥	Jul	244.95	2.20
Precious Metals (PM London Fix)				Live Cattle♣	Jun	164.40	1.45
Gold		2019.90	3.95	Feeder Cattle♣	May	134.88	-
Silver (US cents)		2385.50	-103.00	Lean Hogs♣	Jun	84.13	0.25
Platinum		1081.00	-38.00				
Palladium		1546.00	-61.00				

Bulk Commodities	Price*	Change		May 12	% Chg Month	% Chg Year
Iron Ore	105.16	0.36	S&P GSCI Spt	547.20	-8.01	-27.97
Baltic Dry Index	1522.00	-36.00	DJ UBS Spot	102.36	-5.05	-20.21
Richards Bay ICE Futures	112.50	-1.65	TR/CC CRB TR	284.81	-6.06	-12.03
			LEBA EUA Carbon	58.91	-1.98	129.94
			LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ✠ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price May 12	Yield May 12	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	110.47	1.226	1.156	-0.02	5.25	72715.32	8
Fr 0.25%' 24	100.45	-0.125	-0.182	0.16	17.92	260225.75	17
Swe 1.00%' 25	126.67	0.842	0.842	0.46	35.93	226572.57	7
UK 2.500%' 24	375.90	1.211	1.184	0.28	6.82	541477.51	30
UK 2.50%' 24	375.90	1.211	1.184	0.28	6.82	541477.51	30
UK 2.00%' 35	244.94	0.450	0.393	-0.38	9.08	541477.51	30
US 0.625%' 26	97.19	1.705	1.595	-0.15	42.42	1661008.27	48
US 3.625%' 28	110.55	1.400	1.299	-0.26	16.78	1661008.27	48

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.32	1.14	-0.13	Netherlands	2.45	0.28	-0.99
Austria	2.69	0.52	-0.75	New Zealand	3.99	1.82	0.55
Canada	2.87	0.70	-0.57	Norway	3.21	1.03	-0.24
Denmark	2.45	0.28	-0.99	Portugal	2.65	0.47	-0.80
Finland	2.70	0.53	-0.74	Spain	3.03	0.85	-0.42
Germany	2.17	0.00	-1.27	Sweden	0.59	-1.58	-2.85
Italy	1.81	-0.37	-1.63	Switzerland	0.89	-1.28	-2.55
Japan	0.16	-2.01	-3.28	United States	3.44	1.27	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar, its suppliers, or the FT. Neither the FT, nor Morningstar's suppliers, warrant or guarantee that the information is reliable or complete. Neither the FT nor Morningstar's suppliers accept responsibility and will not be liable for any loss arising from the reliance on the use of the listed information. For all queries e-mail ft.reader.enquiries@morningstar.com

Data provided by Morningstar | www.morningstar.co.uk

POWERED BY MORNINGSTAR

Equity Research from Morningstar

Make confident investment decisions powered by our independent global insights and a consistent methodology across our qualitative and quantitative universes.

Get your next investing idea from one of the world's largest independent analyst teams at morningstar.com/products/research/institutional

MORNINGSTAR®

ARTS

‘It’s not about the building but about the city’

Norman Foster, the architect behind landmarks such as London’s Gherkin, is having his first retrospective at the Pompidou in Paris. He talks to Edwin Heathcote

Above: Norman Foster at the Pompidou Centre. Below: Foster’s design for JPMorgan Chase HQ, New York — Nigel Young

Hong Kong International Airport, designed by Foster — Dennis Gilbert

There is something a little strange about ascending the long escalators of the Pompidou Centre to visit a show about Norman Foster. This is Richard Rogers’ greatest building, perhaps the pinnacle of the style known as High Tech which characterised British architecture in the late 20th century. Its greatest proponents were Rogers (who died in 2021) and Foster himself, who started in practice together in the 1960s after meeting at Yale.

This show, then, Foster’s first major retrospective and the biggest architecture exhibition ever to be held at the Pompidou, feels like a coda for an era. But not for Foster. “I always had this idea that the future will be better than the past,” he says, walking around the gallery. Still? “Absolutely!” he snaps back with just the faintest tinge of a Manchester accent.

Foster, it is clear, is a big believer in technology. The boyhood obsessions are here, right on the walls — an Eagle comic, a cutaway section of an aeroplane, reminiscences about the steam trains that used to run behind his house. It is there in the cars: Buckminster Fuller’s teardrop-shaped 1933 Dymaxion, Le Corbusier’s beautiful 1926 Voisin C7 Lumineuse. (“Not the type of car that belonged to Corb,” Foster stresses, “but the *actual* car. We tracked it down in a kind of detective story to a farm in England and I bought it.”)

And technology is there right at the end of the exhibition too, in a room devoted to building on the Moon and on Mars, projects that the architect’s practice and foundation are currently working on.

In between are some of the most sublime buildings of the modern age along with, it must be said, a fair number of structures which bring the exhibition’s rather banal subtitle, *Sustainable Futures*, into doubt, including vast airports from Jordan to Beijing. At the heart of the show is the paradox: that the figure who is without doubt the world’s most successful architect maintains that childhood faith in technology to solve problems which it is itself causing.

The exhibition opens with a long, double-sided vitrine of Foster’s sketchbooks, beginning with his schoolboy notes. An incredible array of designs and ideas highlight the architect’s facility for clarity, each sketch embodying a solution to a problem which, once you have seen it, appears like the only rational response. Take the structures of the Sainsbury Centre in Norwich and Hong Kong’s HSBC HQ (then the most expensive building ever) or a design for a multifunctional table. On the wall is his first student project, a sailing club, stamped “University of Manchester”. A little further on is the model of the Monaco Yacht Club. He knew where he was going.

Unlike Rogers, who had a privileged upbringing and whose father’s cousin was a famous architect in Italy, Foster had a less certain start. “It never even occurred to me that there was a possibility of being an architect,” he says. “I didn’t know any architects. But I did read. I borrowed Le Corbusier’s *Toward an Architecture* and books on Frank Lloyd Wright from the local library.” Having left school at 16, Foster was working in the Treasurer’s Office at Manchester Town Hall, the vast gothic building designed by Alfred Waterhouse which he credits for reinforcing his love of architecture.

“Because I’d left school,” he says, “I didn’t have A-levels and couldn’t get into university, but I was allowed to present a portfolio of drawings and [Manchester university] created a precedent for me, a special diploma.”

Foster is known as the most driven of architects, almost inhumanly so. His PR says this is the first time she can remember when he has been in a single city for such a long period — three weeks. Famous at one time for flying himself to meetings, often literally blowing away competing architects as he arrived piloting his own helicopter, I have to remind myself that this trim, lively figure in front of me is almost 88.

He now resides in Switzerland rather than London, where his office overlooks the Thames at Battersea (a glass box, one of his most exquisite buildings) and where he has had more influence than any architect since Sir Christopher Wren: a new master plan for Trafalgar Square, a new roof for the British Museum, an entirely new Wembley Stadium, the Millennium Bridge, the wonderful Canary Wharf Station, the Gherkin (which kick-started the City’s new tower cluster), Bloomberg’s huge HQ.

“The older I get,” he says, “the more I realise it’s not about the building but about the city.” Yet that bigger story of the city feels a little absent here amid the models.

As ever, though, Foster is looking forward. A huge model of the new HQ for JPMorgan Chase rears up above the exhibition, a massive skyscraper redefining Manhattan’s Midtown skyline. With its stepped profile, it nods to the city’s Art Deco zenith, a curious throwback after the demolition of the Union Carbide Building which previously occupied the site, a design by SOM’s Natalie De Blois, a rare woman architect in a mid-century world of men in suits. I ask if he has any regrets about this. “It was a wonderful building,” he replies, “one of my favourites. But it wasn’t my decision to demolish it.” I get the impression this part of the conversation is over.

I ask, instead, about the building we are in, Rogers’ and Renzo Piano’s masterpiece of public architecture. Is the Pompidou a building he wishes he’d designed?

No hesitation this time. “No. It’s a seminal building, a great experiment. But it’s a celebration of the systems that drive the building,” with its brightly coloured ducts and tubes on the outside, a contrast to his slick, smoother structures. “The Sainsbury Centre, which was our contemporary equivalent, was the first breathing building, naturally cooled and heated — and it still works.

“Richard and I shared a social agenda. The Pompidou opens its doors to everyone and the Sainsbury Centre dissolved the barriers between academia and the public.”

He’s still building the future. There are mini-nuclear reactors on display which could power a Manhattan city block. There are moon dwellings and aeroplanes alongside his (realised) spaceport in New Mexico. I might see a paradox in all this carbon consumption and faith in the future; Foster doesn’t.

“The materials of the Union Carbide Building were 98 per cent recycled to make way for a much more efficient new building. I don’t see a problem there. And the airports, you need to put those into the context of real life. Mobility and globalisation aren’t just going to go away. That’s naive . . . We know that with enough clean energy we can convert seawater to jet fuel and decarbonise the oceans . . . the prospect is in sight.”

Well, if anyone can convince you, Foster can.

To August 7, centrepompidou.fr

A room at the exhibition is dedicated to designs for habitats on the Moon and, pictured left, Mars — Foster + Partners

Dazzling visions from the planet Thra

DANCE

UniVerse: A Dark Crystal Odyssey
Linbury Theatre, Royal Opera House, London
★★★★☆

Louise Levene

Jim Henson’s 1982 eco-myth movie *The Dark Crystal* is something of a cult and the 12-year-old Wayne McGregor was an early convert. Now, 41 years later, he has unveiled a dance version of the story which premiered at the Royal Opera House’s Linbury Theatre on Saturday: 80 minutes of doomy, fantastical imagery interlaced with high-tensile movement.

Henson’s original tale of plucky “gelflings” restoring the magic crystal is sidelined in favour of “the ecological, social and psychological themes of the film”. This spares any elfophobes among us from the nuts and bolts of the quest but does make what remains of the story rather hard to decode and the programme, most of it impenetrably printed grey-on-grey in what looks like six-point sans serif, is no help. McGregor is inspired by stories but has no interest in spoon-feeding his audience a scenario — narratives are a launch pad, not a template. Dramaturgy for *UniVerse* — as with *Woolf Works* and *The Dante Project* — was farmed out to Uzma Hameed but she too favours an elliptical approach. The result is a succession of apocalyptic episodes only resolved in the final, Eden-like apotheosis.

The production was made in collaboration with the Jim Henson Company and features stunning projections by Ravi Deepres and fantastical costumes and masks by Philip Delamore and Alex Box. Deepres’s kaleidoscopic collage of climate catastrophe takes us on a nightmare journey through a planet in crisis: the Piper Alpha oil rig blazes; an oil spill engulfs a seabird; entire forests are reduced to blackened embers.

At the dark heart of the piece, McGregor’s dancers are supersaturated with red light, enacting a frenzied tarantella in which they are both the flames and the animals whose habitat they are destroying. This forest fire set piece is the visual climax of the work but Deepres can make an impact with the simplest sequence: a single betta fish fan-dancing in a cross-current; a trio of vast suns about to collide.

Snatches of spoken text by Isaiah Hull drag Henson’s original concerns squarely into the 2020s — “What’s the agenda for this gender war for real if not retail” — but add little. The score by TV and film composer Joel Cadbury is essentially illustrative, coexisting with the dance but never quite matching or inspiring it. Delamore dresses the warring tribes of planet Thra in a range of screen-printed unitards accessorised with capes, wings, hunchbacks etc, which distinguish the Skeksis from the UrRu (do keep up) while allowing complete freedom of movement for McGregor’s nine superb dancers.

McGregor’s writing has acquired a classical polish during his 17 years as the Royal Ballet’s resident choreographer and there are airy flashes of *petite batterie* but the old gymnastic hyperextensions still occasionally break through. The ensembles are edgy and furious although interlayered with more lyrical passages, including a fine duet for the couple tasked with saving the planet. There is a potential for sensory overload with such an elaborate staging, yet every move registers clearly in Lucy Carter’s sculptural sidelights and McGregor never allows the dancing to be overwhelmed by the dazzling visuals that surround it.

To June 4, roh.org.uk

Jordan James Bridge and Rebecca Bassett-Graham in Wayne McGregor’s ‘UniVerse: A Dark Crystal Odyssey’ Andrej Uspenski

FT BIG READ. UK POLITICS & POLICY

Mayor Ben Houchen insists a plan to redevelop an old steel plant – Europe's biggest brownfield site – will bring new jobs. But critics of the rising Tory star complain about a deal awarded to private investors.

By Jennifer Williams

Trouble in Teesside

When the 140-year-old steel industry in Teesside finally collapsed in 2015, it swept away 3,000 jobs and, with them, a political and economic anchor in the north-east of England.

Two years later an ambitious young Conservative mayor, Ben Houchen, stepped into the resulting vacuum, promising that a public-private partnership would attract a new wave of industrial companies to the site of the former steelworks. His plan was backed by a Tory government that saw Houchen as its poster child for resuscitating former industrial areas of the country.

Yet Houchen's attempt to revive what is Europe's biggest brownfield site is now the subject of a fierce political row. The mayor's political opponents have accused him of cronyism after a 90 per cent stake in the company operating the vacant steel site was transferred to two local developers, Chris Musgrave and Martin Corney, without any public tender process. Houchen says the involvement of the two developers has been vital for the success of the government's most prominent "levelling up" project, transferring risk, including clean-up costs, to the private sector. An investment by a South Korea wind farm manufacturer is just one sign of progress, he claims.

However, while companies controlled by Corney and Musgrave have earned at least £45mn in dividends from the project in the past three years, there is no evidence they have invested in it to date. Seven people formerly closely connected to the project have also told the Financial Times of concerns relating to governance and accountability.

Speaking in parliament, Andy McDonald, Labour MP for neighbouring Middlesbrough, accused Houchen in April of "industrial-scale corruption" because of the highly favourable terms on which the joint venture is now allowed to purchase publicly-owned land on the site.

The fate of the Teesside redevelopment has important implications for British politics because the project has played a prominent role in the Conservative party's efforts to forge a post-Brexit economic strategy.

For many in the party leadership, Houchen and his plan have become a model for how a more activist government can provide economic answers in the former industrial areas of the country where people voted strongly to leave the EU.

Some experts in public sector auditing and state aid believe a full National Audit Office inquiry is needed to establish the exact details of transactions involving the project. Steve Bundred, former chief executive of the Audit Commission, a public body that examined local government entities before being disbanded in 2015, says the evidence calls for a "full and thorough" investigation by the National Audit Office. "It seems that a very valuable public asset has been secretly disposed of, without any real benefit to the taxpayer, while securing lucrative gains for developers," says Bundred, who was a Labour politician before becoming a public official.

Houchen disputes this, arguing that the site had been costing the taxpayer £20mn a year in upkeep before the joint venture was established. "The suggestion that we've given away a site worth millions is demonstrably untrue," he says. "If it wasn't for this public-private partnership . . . we wouldn't be able to look people in the eye and say we're creating thousands of good-quality, well-paid jobs for local people."

'It seems that a very valuable public asset has been secretly disposed of, without real benefit to the taxpayer, while securing gains for developers'

Two-stage property deal

The final owner of the vast plant overlooking the Tees estuary in Redcar was Sahaviriya Steel Industries (SSI) UK, the subsidiary of a Thai steelmaker.

When the plant closed down in October 2015, the solution that soon emerged was to redevelop the area through an urban development corporation, which would bring together businesspeople and local officials. The board members are recommended by Houchen, who is also the chair. The new body, called the South Tees Development Corporation, began in 2017 to pull together 4,500 acres of industrial land from different owners, including the site of the former steelworks.

By late 2019, however, the plan was foundering. The three Thai banks who were SSI UK's main creditors objected to the government's plans for compulsory purchase of the site. It was at this point that the two local property developers, Musgrave and Corney, stepped in.

Musgrave, who was awarded an OBE in 2019, had worked his way up from being a Hartlepool market trader to become one of the area's richest men, including through the development of nearby Wynyard Park, a mix of luxury housing and light industrial units. Corney has built a string of housing developments across the region and already had a number of joint ventures with Musgrave. His stepfather, Ian Waller, is a donor to Houchen.

In a complex two-stage process, the two developers ended up with a 90 per cent stake in the project without ever going through public bidding.

In 2019, DCS Industrial, a new company owned by both Musgrave and Corney, purchased a three-year option to lease part of the Redcar bulk terminal, a site adjacent to the former steelworks that was also ultimately owned by SSI. They bought the option from the local operator of the land, RBT Ltd.

Musgrave and Corney then proposed a deal involving the former steelworks. According to board papers for the South Tees Development Corporation, they offered to rescind their new option for the adjacent property so that SSI's creditors had a site they could develop for their own commercial plans. In return, SSI would hand over the huge steel site.

South Tees Development Corporation says this deal prompted SSI and the Thai banks to withdraw their objections to the compulsory purchase order. The corporation's lawyers had advised it would lose its compulsory purchase attempt without such a deal, it says.

Not everyone agrees. One person who was closely involved with the process believes that the land swap deal was never needed. "Anyone who followed the process at the time could have seen the corporation was likely to win the compulsory purchase order. So to many people, this last-minute deal made no sense," the person says.

Either way, a deal was struck, which resulted in the steel site being taken into public ownership by the new South Tees Development Corporation. In return for their role in securing the site, the South Tees Development Corporation awarded companies owned by Musgrave and Corney a 50 per cent stake in the joint venture that operates the project. The new operating company, eventually named Teesworks Ltd, controlled the entire 4,500-acre site and its assets — including 500,000 tonnes of scrap metal. It was also given the option to buy up any parcel of land on the site at a market rate.

In 2021, the region received a potential shot in the arm from Westminster. Rishi Sunak, who was then chancellor, announced that Teesside was to host the biggest freeport in the country. Freeports — designated low-tax, low-regulation border zones — were one of the government's big ideas for trying to capture the benefits of Brexit. The new freeport in the north-east would take in both the steel site and Teesside airport.

The announcement prompted the South Teesside Development Corporation to fundamentally change its business model, according to documents obtained under Freedom of Information laws by Private Eye, which has reported extensively on the project.

At an August 2021 meeting, the board agreed to transfer another 40 per cent of the joint venture's shares to DCS Industrial, meaning Musgrave and Corney now owned 90 per cent of the project. The equity transfer was ostensibly to help pay for the clean-up of parts of the site, but it also granted the joint venture more generous terms.

The original plan had earmarked public funding to clean up parts of the site. Those parcels would be leased out bit by bit, generating income over the following 25 years that would be gradually reinvested into cleaning up more parcels of land.

But freeport status brought with it time-limited tax breaks. So to allow investors to benefit from them, land clearance was needed "much more quickly than was originally envisaged", the corporation said in board papers.

South Tees Development Corporation believed further capital would be required. However, debt financing was unavailable because of the potential clean-up costs and Musgrave and Corney had the right to block new shareholders. So the board opted to transfer more equity to the two developers.

In return for now holding 90 per cent of the shares, the companies controlled by Musgrave and Corney would take on the costs of decontamination. But the agreement placed no obligation on the developers to invest in the land, identifying only an "incentive" to do so.

A further deal the following month also changed the terms on which Teesworks Ltd could buy up parcels of public land. It was now priced at £1 an acre, instead of market rate.

The increase in the developers' stake to 90 per cent only became public knowledge four months later, in December 2021, when it was disclosed in a filing to Companies House. Anna Turley, the former Labour MP for Redcar, says she "couldn't believe her eyes" when she came across it. "There had been nothing in the public domain about this," she adds. "As far as the public were aware, the site was owned by the mayoral development corporation."

Houchen has consistently defended bringing in the two developers, pointing to the forthcoming arrival of the South Korean wind farm manufacturer SeAH as evidence of the project's success.

Without the involvement of private investors, he says, "we would not have touched a single part of the steelworks, we wouldn't have landed a single investment, we would not be seeing construction under way".

However, one green steel investor who approached Teesworks says he walked away due to concerns about the joint venture's expertise. "The experience that they were claiming to have had in developing large-scale industrial projects was severely lacking," he says.

South Tees Development Corporation pointed to the private sector partners who had previously developed the former Basell chemicals site at nearby Wilton International and Kent's Discovery Park. "We'd consider this shows the claims are demonstrably false," it said.

Teesworks Ltd said that Musgrave and Corney had been "key" to attracting the South Korean wind farm investment. "It is fair to say that the site would still have been an industrial wasteland if it had not been for the actions of the corporation, Musgrave and Corney," it said.

Political football

One of the reasons the political controversy around the Teesside project is becoming so fierce is at the centre of the so-called "red wall" of seats in the north and Midlands that switched from Labour to the Conservatives for the first time in 2019. Boris Johnson was an enthusiastic supporter of Houchen, who two years earlier had unexpectedly beaten Labour to the mayoralty.

Following a parliamentary exchange on the issue last week, Houchen took to social media to call McDonald, the Labour MP who has criticised him, a "self-centred coward". He added: "Smears from Labour and their cronies have caused investors to think twice about their investment in our area."

Criticism of the Teesside project has largely focused on two areas — money and transparency. Sales of scrap metal from the site have raised £90mn, half of which has been retained for investment by the development corporation. The other £45mn has been paid to Musgrave and Corney's companies in dividends.

The taxpayer has so far invested more than £260mn, as well as providing a £107mn public loan to build a new quay.

However, there is no evidence in company accounts and public documents that Musgrave and Corney have invested any of their own money in the project. The FT asked South Tees Development Corporation and Musgrave and Corney how much they had invested since March 2020 and how much investment was forecast for this financial year. Neither responded directly to the question. Teesworks says that Musgrave and Corney have taken on the remaining liabilities of the site — which one survey cited by the South Tees Development Corporation valued at £483mn.

Above: Ben Houchen, mayor of Teesside, in front of the partially demolished steelworks in Redcar. Below left: golfers play next to the steel furnace in Redcar. The final owner of the vast plant overlooking the Tees estuary was Sahaviriya Steel Industries UK, the subsidiary of a Thai steelmaker

FT montage/Getty Images; Ian Forsyth/Getty Images

'It is fair to say that the site would still have been an industrial wasteland if it had not been for the actions of the corporation, Musgrave and Corney'

"It is easy for the ignorant and mischievous to state that Musgrave and Corney have put no money into the site, but the context is far more complex," Teesworks said.

Aside from the project's finances, critics also complain about the secrecy that has surrounded its broader decision-making. Seven people formerly involved in the project said they had left with serious concerns about governance. One former board member of a local body tasked with providing oversight said they had got "really frustrated turning up to meetings to find the big agenda item simply wasn't discussed".

"If I tried to open it up, I was shut down because Ben [Houchen] had sorted it out behind closed doors beforehand," they added.

The Tees Valley Combined Authority, the local government for the region and the parent entity of the development corporation, said the mayor does not have the authority to make "decisions by himself" about the project.

Teesworks Ltd said it was best to treat the Labour MPs criticising the project "with the contempt they deserve".

The government said "any allegations of wrongdoing" were "false" and that private sector investment and a joint venture were "always a core part of the approved business case for the site".

No national audit body has ever undertaken a full review of the share transfer deals. The National Audit Office, following a complaint from McDonald, took a narrow, "informal" look at how government grants were being used on the scheme. It found the corporation's own paperwork indicated the money had been used "as intended".

Houchen then claimed "every single document, contract, advice, email and every other piece of paper relating to Teesworks" had been reviewed, giving the freeport "a clean bill of health".

The NAO denied that, telling the FT at the time that it had not carried out "an audit or review" into the project. It later said it contacted Tees Valley Combined Authority "to request the correction of statements by the Mayor" about its review of funding for the project.

George Peretz KC, a public law specialist with particular expertise in state aid, regulatory issues and competition, says a "full investigation by the National Audit Office" is now needed to check whether assets had been transferred "at an undervalue".

"There are a number of consequences if that is so, including subsidy control issues," he says.

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

The scandal of South Africa's alleged arms to Russia

Pretoria's choices undercut its supposedly neutral stance on Ukraine conflict

There are three possible explanations for the diplomatic storm that has broken out between South Africa and the US after Washington's ambassador alleged that armaments had been loaded on to a ship docked in South Africa and bound for Russia.

Two of these reflect miserably on Pretoria and the ruling African National Congress. The first is that Cyril Ramaphosa's government really had no idea that arms were being loaded on to the Lady R in Simon's Town last December. That would be a shocking admission, since it is supposed to be a secure military base. But given the dysfunctionality of the ANC and the levels of corruption and criminality that have permeated core state institutions, it is not entirely implausible.

The second explanation is that South Africa's government knew full well it was exporting arms to Russia — whether out of a misplaced loyalty to Moscow harking back to the days of the Soviet Union, which backed the ANC's liberation struggle more than 30 years ago, or because it felt obliged to stick by a fellow Brics country. This would mean South Africa knowingly supplied arms to Moscow in defiance of western sanctions.

The third explanation is that US intelligence is wrong. Given the number of satellites the US may have pointed at the Lady R, this seems unlikely. America's ambassador said he would "bet his life" on the veracity of the information. Sceptics will point to his later apology, though this seems to have been more over the tone than the content. They will also recall phoney US intelligence on Iraq's weapons of mass destruction. Yet Washington has learnt lessons. Recent US intelligence pertaining to Russia's intentions in Ukraine has proved depressingly accurate.

Embarrassingly, Ramaphosa has felt obliged to order an inquiry into what went on in his country's own naval base. Even if this somehow exonerates him, South Africa's foreign policy will remain in a shambles.

Pretoria has declared itself neutral in the Russia-Ukraine war, saying it prefers a peaceful solution to picking sides. Yet its actions lean clearly towards Vladimir Putin's Russia. In February, South Africa conducted joint naval exercises off its coast with Russia and China. The ANC has done little to distance itself from the conclusions of its youth league that the crooked referendums Russia used to annex parts of eastern Ukraine last September were a "beautiful, wonderful process". Ramaphosa has been fawning in his public dealings with Putin.

The contortions South Africa has gone through highlight a wider issue. Developing countries have a legitimate aspiration to push for a new world order that better represents their interests in a multipolar world. They are right to point out that institutions created after the second world war — from the IMF and the World Bank to the UN — no longer reflect the world we live in.

> Even if the inquiry into the case somehow exonerates Ramaphosa, his country's foreign policy will remain in a shambles

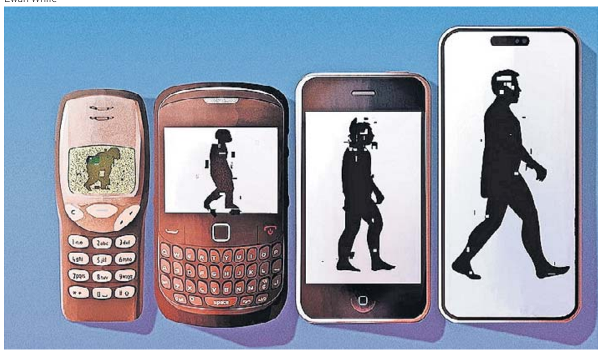
But whatever South Africa is doing is clearly not the way to go about it. Pretoria's flip-flopping and obfuscations over the Russia-Ukraine war reflect the reality that it will not be straightforward to replace the US-led rules-based order with something consistent and credible.

Defenders of South Africa's position point out it is a sovereign country with a sovereign foreign policy. That does not mean Pretoria can pass off a pro-Russian stance as somehow neutral. South Africa has benefited from much international goodwill, born of its overthrow of the apartheid regime. As such, it enjoys preferential access to the US and European markets, a huge boon for its carmaking and other industries. If Pretoria wants to throw in its lot with Putin, that is its choice. But it should realise that such choices have consequences.

Opinion Society

There is no such thing as a digital native

Ewan White



Stephen Bush

Call it the Abe Simpson principle. The cartoon patriarch, upon being told by his son Homer that he wasn't "with it", responded: "I used to be with it, but then they changed what *it* was. Now what I'm with isn't *it*, and what's *it* seems weird and scary to me." Then he warned his son: "It'll happen to you."

Grampa Abe was right. When the term "digital native" was coined, I used to be one of them. I am part of the cohort that grew up in the information age. I have a distant memory of my mother's computer — a white, bulky thing which played Solitaire, Minesweeper and a handful of MS-DOS games — briefly seeming like an interloper in our home, but I don't really remember a time before it arrived.

I do remember the installation of our broadband, which made me one of the few people in my social circle who didn't have to hear the dreaded words, "Get off MSN Messenger, I have to make a phone call."

> Children starting school now will have only half-formed memories of the world without AI

Nonetheless, the Abe Simpson principle has come for me. I recently attended a closed-door conversation with experts and policymakers about artificial intelligence and the challenges it poses for regulators. One of the attendees remarked that while the challenge was "too big" for the current cohort of regulators, it would be resolved by the rising generation of digital natives.

I listened, expecting to discover something about myself and why I was well placed to resolve this issue. Instead, I realised that I am no longer a digital native. Moreover, what a digital native is now seems weird and scary to me. For me, it meant growing up in the era after the advent of the personal computer and when mobile phones were widespread. Now it seems to mean having grown up in an era where you have 24-hour access to the internet whether you want it or not, and everything from farfetched conspiracy to violent pornography is piped into your social media feed.

In some ways, that is wholly unsurprising. Although I have had a mobile device since my early teens and a smartphone from shortly after, I grew up at a point in time when my internet access was easily monitored — something my peers and I took as a fact of life. We had a better intuitive grasp of the technology than our parents, but they still held the controls, and in most cases control of the only computer.

What it means to be a digital native has changed drastically because the definition of "digital" has changed too. And it will continue to do so: a child entering school for the first time now will have only a half-formed memory of the world without AI.

As a result, the idea of digital nativeness is becoming less, rather than more, valuable. There was a point at which the division between a digital native and someone who wasn't one was clean enough to be useful. But even the gap between me — someone who has used a computer for as long as they can remember — and someone who, by dint of being just five years younger, had a smartphone from their early teens, is already quite large. The gap between both of us and someone who grew up with a tablet from birth is larger still.

In addition, it's not just hardware that is changing. Software is too. Modern technology is both easier and harder to use. As a child, I was able to set up my PlayStation unaided — today that would end up with a crying kid and a broken games console. But other developments, not least in AI, mean a whole range of once complex coding tasks are now within reach for people who don't know their Ascii from their Cobol.

So the idea that a coming wave of digital natives will be able to regulate better, to solve tricky policy issues or to avoid the dangers we struggle with is alarming wishful thinking. The first generation of digitally native parents is also the first generation to give its children smartphones from a young age, a decision now frequently criticised by teachers and experts. (And, I think, one that is unlikely to be repeated.)

Digital natives may have fared more successfully in navigating the world of ecommerce. But there is little evidence that we have proved better at regulating these industries, perhaps because, just like those before us, our success is in building a new world we ourselves don't fully understand.

The confusion that comes from periods of very rapid technological change outstripping generational knowhow is not over. If you are looking for new product ideas or better ways to exploit existing technologies, the next wave of digital natives may help you. But if you are looking to them as the solution to looming regulatory or policy issues, remember that the Abe Simpson rule comes for us all sooner rather than later.

stephen.bush@ft.com

Letters

Email: letters.editor@ft.com
Include daytime telephone number and full address
Corrections: corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

Japan must stop crowding out its entrepreneurs

Leo Lewis extols the rise of Japanese cinema ticket prices ("The true price of a Japanese cinema ticket", Opinion, May 11). He argues that Japan is taking steps towards reflation. He notes, however, that the furniture giant Nitori had to reverse price increases after it lost customers.

The problem is that while Japanese consumer prices have increased by more than 3 per cent between March 2022 and March 2023, earnings have increased by only 0.8 per cent. Price increases without wage increases will prove unsustainable.

Japanese are dedicated workers, as Lewis observes when discussing the delivery employee who lost his finger while working but continued making deliveries without seeking medical attention ("Grisly episode tells painful story of corporate Japan", Opinion, May 1).

Why are such loyal, hardworking employees unable to obtain wage increases?

During Japan's golden era of growth between the 1950s and 1980s, entrepreneurs such as Kōnosuke Matsushita, Tadashi Sasaki and Akio Morita took intelligent risks and led their employees into productive activities. This gave workers bargaining power and permitted steady wage increases.

While fiscal policy was disciplined during the golden era, Japan since 1990 has run outsized budget deficits year after year.

The public sector now plays a large role in allocating resources. To redirect workers to remunerative jobs, Japan should once again give pride of place to entrepreneurs.

Willem Thorbecke
Senior Fellow, Research Institute of Economy, Trade and Industry
Tokyo, Japan

PwC Australia tax leak story got me thinking

Your report (May 13) about the leaking by PwC Australia of confidential tax proposals to clients reveals a degree of turpitude that might amount to institutional corruption, unless a valid explanation is forthcoming.

In the mid 1970s I headed the HM Treasury division responsible for preparing draft Budget packages.

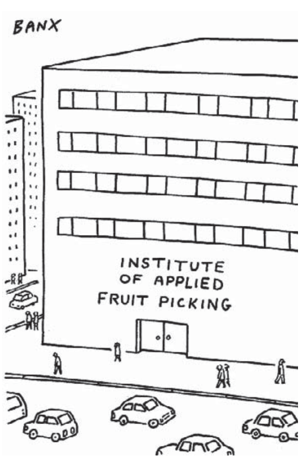
One proposal was to raise car tax, which was implemented. The wife of one of my team was thinking of buying a new car but my colleague never prompted her to speed up her purchase and by the time she completed her purchase she was some hundreds of pounds worse off than had he warned her.

That standard of ethical behaviour, universal among my Treasury colleagues, appears absent from the PwC culture in Australia at least.

Malcolm Levitt
London SE13, UK

Acerbic observations about Post Office ethics

You report (May 10) in regard to the contaminated blood scandal that



ministers have accepted the moral case for compensation but are very worried about the cost. The obvious answer is to appoint the Post Office. As the postmasters' IT scandal showed, it has excellent experience of shielding ministers from the financial consequences of moral obligation.

Jonathan Hayward
Nempnett Thrubwell, Somerset, UK

If Reform UK makes it a policy, why can't Labour?

There is a better way for Labour in government to renationalise water and other natural monopolies than that suggested by TRC Fletcher (Letters, May 5). On her first day as chancellor, Rachel Reeves could instruct the Bank of England to credit the bank accounts of the water companies with their share value less any outstanding debt.

Since most of the companies are foreign-owned there is little likelihood that such money creation would cause inflation.

However, last year Reeves stated that the nationalisation of industries the party previously pledged to bring into public ownership "just doesn't stack up against our fiscal rules". As a former Bank of England economist she surely knows that the consolidated fund, into which taxes flow and government spending flows out, is just a book-keeping entity.

Interestingly, last week I was handed a leaflet from the local Reform UK party candidate. The first statement of its policy reads: "Renationalisation of 50 per cent of key utilities".

Carol Wilcox
Christchurch, Dorset, UK

What Americans can teach Tories on entryism

Former co-chair of the Conservative party Baroness Sayeeda Warsi makes some excellent points in "Baroness warns of Tory slide towards extremism" (Interview, May 3). The party has not understood what the Labour party has for over 100 years — the danger of "entryism" into mainstream political parties by the militant left, or in this case the xenophobic right.

Perhaps Sayeeda Warsi and her centrist colleagues should consider inviting US Republican politicians Liz Cheney and Adam Kinzinger to address the next Tory party conference on the dangers posed to democracy and civil society from an extreme right takeover.

Howard Radley
London NW6, UK

OPINION ON FT.COM
Schrödinger's swap: the audacious plan to trigger Credit Suisse's credit-default swap contracts
A couple of US hedge funds have wagered that nearly everyone has overlooked crucial quirks in the derivative contracts that could lead to a payout, write Robert Smith and Sujeet Indap
www.ft.com/alphaville

OUTLOOK
MIDWEST

US angst over Chinese land ownership exposes a deepening rift

by Patti Waldmeir

The honeymoon, it seems, is over. China and the US have detested one another for most of my lifetime, but for a brief couple of decades, around the turn of the millennium, they seemed unexpectedly determined to be friends. Luckily, those were the years — between the mid-1990s and the mid 2010s — when I adopted two Chinese infants, and moved to Shanghai to raise them. It was the best time to have a foot in both camps; I had no idea how soon that would become impossible.

Now relations between my two favourite superpowers have sunk to their worst point since Richard Nixon's diplomatic bombshell of visiting China in 1972 — and the signs are palpable, even in the insular US Midwest where I now live. It's not all chips and TikTok either: dozens of US states and federal lawmakers are trying to stop Chinese nationals from buying land in the US.

Never mind that Chinese own less than 1 per cent of foreign-held US land, according to a 2021 US Department of Agriculture report. The figure has risen substantially in recent years, and the USDA says Beijing's overseas agricultural investments grew more than tenfold — from $300mn in 2009 to $3.3bn in 2016. That has given my homeland the jitters.

No federal law currently stops foreigners from buying US land, and a proposed bill to ban US farmland purchases by China, Russia, Iran and North Korea has so far gone nowhere in Congress. Washington proposed a rule this month that would restrict foreigners from buying land near eight military bases. But some US states want to go much further.

Micah Brown of the National Agricultural Law Center says battles over foreign ownership go back to colonial days, and early in the previous century, most Asians were barred from owning land in many states. Now the debate is flaring again: 34 US states want to restrict foreign investment in land, he says.

Last week Florida governor Ron DeSantis signed a law to stop most Chinese citizens from buying farmland. His probable run for the US presidency may not be unrelated, since he quickly claimed that his state is "leading the nation in terms of what we're doing to stop the influence of the Chinese Communist party". United Chinese Americans, a lobby group, said the law would "legitimise and normalise" discrimination and racism towards Asian Americans.

A few days earlier, the governor of Montana signed a law preventing governments, businesses and individuals from China, Cuba, Iran, North Korea, Russia or Venezuela from buying or leasing farmland. And Texas legislators have been debating a law to restrict certain foreigners from buying such assets after they pulled the plug on a proposed Chinese wind farm investment.

South Dakota tried a different approach: angered by the failure of the federal government to act when Fufeng, a Chinese food manufacturer, proposed a big investment near a military base in North Dakota, it now wants to establish its own Cfius (committee on foreign investment). In the Fufeng case, the federal Cfius ruled it had no jurisdiction because the base in question wasn't on its list of military facilities triggering special scrutiny; Washington is now proposing adding it to the list.

"If a federal entity can't investigate such an obvious concern, then maybe something is broken," says Rachel Oglesby of the South Dakota governor's office. She peppers her talk with references to Chinese "invasions" and "enemy" countries, and concludes that "China has grown a lot stronger in the last 10 to 15 years and people are rightfully scared about that". The proposal for a state-level Cfius didn't make it through the state's legislative session, she says, because of fears that "friendly" countries might get caught up in the red tape, but she insists the issue is gathering momentum.

Antonia Tzinova, an expert on foreign agricultural investment at the law firm Holland & Knight, puts my fears about all this into words. "The chatter is getting stronger and stronger and at some point someone will make a stupid mistake and we will all live to regret" the impact on the bilateral relationship, she says. Food and land and patriotism: it's a toxic cocktail.

The writer is a contributing columnist, based in Chicago

Opinion

The case for rethinking fiscal rules is overwhelming

ECONOMICS

Andy Haldane

Last month, I discussed the negative feedback loop between stalling economic growth and expanding safety nets. How do countries break free from this "doom loop"? One important element is to rethink the fiscal rules shaping government investment decisions.

The idea of fiscal rules, which place limits on governments' borrowing, is a sound one. Governments should abide by a "good ancestor" principle, endowing future generations with assets and income, not encumbering them with debt and taxes. In this way, fiscal rules can help ensure intergenerational equity — they are the everyday equivalent of aiming to leave your children the house rather than the mortgage.

After a sequence of pandemic-related splurges in government spending, fiscal rules are now at serious risk of being breached. The US is facing a cliff-edge next month due to the debt limits imposed by Congress. In the EU, calibration of the Stability and Growth Pact's limits on countries' debt is proving acrimonious. And in the UK, fiscal rules requiring a falling debt ratio within five years are restricting the government's ability to put in place long-term growth-enhancing policies.

Are these rules exerting useful fiscal discipline or constraining investment and growth? I believe the latter. They are typically based on the stock of government debt relative to income. We would expect this ratio to vary over time. The greater the challenges facing a nation state, the stronger the case for debt-financed investment in the public goods needed to rise to them.

Take the UK. Since the industrial revolution, ratios of debt to gross domestic product in the UK have, on average, doubled every century. This was an explicit societal choice to invest in the new sets of public goods necessary to support economic and social progress — from schools to housing to health. Other countries' debt ratios have also tended to trend higher over time.

We should not necessarily expect this pattern to repeat itself in the 21st century. But nor should we expect debt ratios to flatline or fall. Many advanced economies are facing challenges no less severe than those our ancestors faced. And the case for a new set of public goods to meet them is just as compelling.

> Governments should go by a 'good ancestor' principle, endowing future generations with assets

This highlights a second defect with existing fiscal rules: they are typically based on net financial debt. They do not recognise the non-financial assets created by public investment, whether tangible (roads, hospitals, schools) or intangible (intellectual property, data, code). Nor do they recognise investment in natural assets, such as clean water, air and a thriving biosphere.

Recognising those assets would give us a measure of the true net worth of the government. Just as a company or household would look at their net worth when making investment choices, so too should government. Countries with high net assets have been found to have lower borrowing costs. Bond market vigilantes target poor ancestors, not borrowers. That's why real government borrowing costs have trended downwards over the centuries, despite government debt ratios trending upwards. Financial markets know it is the value of the house, not the mortgage, that matters.

Countries with higher net worth also tend to exhibit greater macroeconomic resilience. This then reduces the burden on the state when adverse shocks strike. Our current debt-based fiscal rules, by constraining public investment, have contributed to a reduction in macroeconomic resilience and a bulging of the safety net following shocks.

That has been the story of the past few decades when public investment by G7 countries has been flat or falling, despite global real rates of interest being close to zero. Here was an opportunity to invest in economic and environmental regeneration and boost growth and macroeconomic resilience. Misguided fiscal rules meant it was wasted and the doom loop perpetuated.

Global real yields have since risen across the world. But with real rates still under 1 per cent globally, the cost/benefit calculus would overwhelmingly favour public investment today to support growth and resilience tomorrow. Recent skirmishes over debt limits in advanced economies mean this opportunity is at risk, once again, of being squandered.

Adhering to existing fiscal rules risks underinvesting today in tomorrow's economic and environmental health. As the evidence of the past few decades demonstrates, debt-based fiscal rules dent growth, weaken macroeconomic resilience and amplify the doom loop. Future generations will rightly consider us bad ancestors if we stick with them.

The writer, an FT contributing editor, is chief executive of the Royal Society of Arts

Disinformation dangers lurk in the EU's media freedom act

Anika Collier Navaroli

Twitter has recently come under fire for changes in its verification system which attached the labels "state-affiliated media" and "government-funded media" to accounts managed by US public service broadcasters PBS, NPR and the UK's BBC. After an uproar regarding press freedom, the social media company was forced to update the label to "publicly funded media".

This furore not only drew ridicule (one former BBC editorial director commented that it looked as if "the work-experience guy" had been left doing the labelling) — it also showed the pitfalls of amateur content-moderation policy. The system of self-regulation with no accountability or transparency has taken the US on a dangerous path. By contrast, Europe's efforts at regulation, put forth in the Digital Services Act, look promising. But the DSA's attempt to address systemic risks such as disinformation may be undermined before they have a chance to work: amendments proposed in the EU's draft European Media Freedom Act would grant full exemption of any content moderation obligation for any organisation categorised as "media".

I know the problems this could cause, because I used to work inside Twitter's trust and safety department, writing and enforcing moderation policies. During my time there, from 2019 to 2021, I had a unique vantage point on momentous world events. I saw first hand the devastating impact of social media in stoking the violent attacks on the US Capitol and I later gave evidence as a whistleblower to the US Congress.

> Moderators have spent years wrangling with the issue of how to verify news outlets

The danger is that Article 17 of the EMFA could create a potentially limitless category of bad actors who can simply self-declare themselves as "media" entities. It would be a cheap and easy way for disinformation campaigns to legitimise themselves. At a time when deepfake news outlets are being established, generative artificial intelligence is running rampant in news, and hostile states are actively exploiting social media features such as Twitter's recent verification changes, we should not create new weapons for information warfare.

If the media exemption in the EMFA passes, content moderators like me will also have our hands tied by law. For example, when Vladimir Putin invaded Ukraine, the Russian state broadcaster RT opened a Twitch account. Inside Twitch, where I worked at the time, conversations immediately began about how to implement the company's new policy on harmful misinformation. RT's account was quickly banned.

Under the EMFA, companies will no longer have this freedom. Disinformation outlets claiming to be legitimate "media" would be exempt from swift action and their propaganda amplified.

Instead, regulators need to work with the moderators who have spent years wrangling with the issue of how to verify news outlets and defining concepts such as newsworthiness. They have developed metrics and made mistakes. Their knowledge and experience are the key to getting this right. Through the DSA's transparency requirements, we can start to fix platforms, make them accountable, and ensure that redress mechanisms are effective.

If there is one thing I learnt in my career, it's that you can write down any words you want and call them "policy". But if you cannot evenly enforce those policies in a principled manner, then they are meaningless.

The whole world is watching to see how the DSA works — the EU's institutions must focus on ensuring this landmark regulation is a success. Allowing the EMFA to create a dangerous and unworkable loophole, on the other hand, is a sure-fire route to failure.

The writer is a practitioner fellow at Stanford University's Digital Civil Society Lab and a former senior content moderator at Twitter

Xi's aims for Taiwan threaten China's rise

GLOBAL AFFAIRS

Gideon Rachman

"Hide your brightness, bide your time." That famous piece of advice from Deng Xiaoping has served China well over the past 40 years. Deng, the leader whose economic policies transformed China, understood that if his country was to become richer and stronger, it must avoid confrontation with the west.

But Xi Jinping, who has led China since 2012, has decided that the "bide your time" era is over. He talks of a China that "dares to fight". Even if Xi does not literally mean that his country should go to war, he has signalled — by word and deed — that Beijing is ready to confront its international rivals.

Xi argues that his policies are a response to American aggression. In the speech in which he called upon the Chinese people to "dare to fight", he accused the US of following a policy of "containment and suppression" of China.

But Xi's diagnosis of China's situation is wrong in three crucial respects. It misreads American intentions. It overstates the threat that US policies pose to China's economy. And it underestimates the risks of confrontation with America.

Chinese officials and scholars often argue in private that the US is trying to thwart their country's rise by luring China into a war over Taiwan. But even if such a trap was being laid in Washington (it isn't), there would be an easy way to avoid it. Xi simply has to refrain from attacking or blockading Taiwan.

Like the Japanese before the second world war, the Chinese complain that the US is trying to strangle their economy. America denies any such intention, arguing that its restrictions on tech exports are narrowly aimed at China's war-fighting capability. But even if the US had a broader plan to thwart Chinese economic growth, any such efforts would probably be unsuccessful.

Like most countries, China has its share of problems. But the country's economic rise remains impressive. This year China is projected to become the world's largest exporter of cars, displacing Japan.

China is doing particularly well with the electronic vehicles that will dominate the future. Bill Gates argues that American tech-export bans are likely to be counter-productive, encouraging China to develop its own capabilities much more rapidly. The Microsoft founder told me recently: "I don't think the US will ever be successful at preventing China from having great chips."

The CEOs of some of the west's most powerful companies, such as Tim Cook of Apple, have made it very clear that they have no intention of walking away from China.

As a self-proclaimed Marxist, Xi should understand that global political power flows from economic power. China does not need to win a shooting war to expand its international power and influence. Trade, aid and investment will do the job without any of the attendant risk and bloodshed.

There are more than 120 countries around the world whose largest trading partner is China — far more than America. That gives China considerable influence.

The US is frustrated that so many nations in the "global south" have sat on the fence over the Ukraine war. But countries that look increasingly to China for trade and investment, such as Brazil or Indonesia, are going to listen at least as closely to Beijing as to Washington on big international issues. That is even more true for countries that are heavily indebted to China, such as Sri Lanka, Pakistan, Angola or Zambia.

> If he were to pull the trigger, the world economy would split into pieces — with huge costs for all

China's prowess in building new infrastructure also builds influence. One US official sighs that America cannot compete with the kind of money that Beijing can throw about in south-east Asia. And China's influence stretches much further afield than its near abroad. Chinese companies are currently constructing metro systems in the capitals of Egypt and Colombia.

So what could possibly go wrong? The answer is obvious — a war. China is visibly preparing to invade Taiwan. Xi's nationalistic rhetoric is creating a dangerous mixture of hubris and paranoia in Beijing. Tong Zhao, an academic, worries that China's leader is "boxing himself in" over Taiwan.

But if Xi were to pull the trigger on Taiwan — and America entered the conflict, as President Joe Biden has promised — the Chinese leader would have started a third world war, with incalculable consequences for his own country and the wider world.

Even if Taiwan rapidly capitulated, or the US stood aside, China's global image would be transformed forever. Every western company or country that is currently sitting on the fence over China would have to join in a rigorous sanctions regime. The globalised economy would split into pieces — with huge costs for all concerned.

Despite the risks involved, Xi may believe that a successful conquest of Taiwan would secure his place in the history books as the leader who completed the "great rejuvenation of the Chinese people".

But leaders with an eye on the history books can often find that events spin out of their control. Vladimir Putin is the latest strongman leader to see his hopes for a short, glorious war go horribly wrong. Putin was leading a country that could no longer aspire to great power status based on economic might. Xi still has that economic path to national greatness open. He should take it.

gideon.rachman@ft.com

Erdoğan's political momentum puts Turkish democracy to the test

Dimitar Bechev

There is one question on many people's minds in Turkey today: how did pollsters get it wrong? Recep Tayyip Erdoğan was trailing in most surveys ahead of Sunday's presidential elections. Analysts expected the tanking economy, along with the state's lacklustre response to the deadly earthquakes in February, to undermine support for the incumbent president.

Kemal Kılıçdaroğlu, the opposition contender, was expected to come first in this opening round — or even clear the 50 per cent threshold for an outright win. In fact, the opposite happened. According to electoral authorities, Erdoğan secured 49.5 per cent of the vote with Kılıçdaroğlu more than 4 percentage points behind. Not only that, but the electoral alliance around the governing Justice and Development party (AKP) appears to have retained its legislative majority. Another Erdoğan term in power, following a run-off on May 28, looks likely.

Some conservative voters did abandon the AKP mother ship, which is why Erdoğan did not emerge victorious after the first round, unlike in 2014 and 2018. But there was also much hidden support for the *reis* (or captain, as he is known to his ardent supporters). Shy conservatives did not necessarily reveal their preferences to pollsters: his strongman brand has long lost its public shine.

Turkish nationalism is also in the mix. It was clear from the get-go that a Kılıçdaroğlu victory would need the backing of the pro-Kurdish Peoples' Democracy Party (HDP). That made it easy to paint him as a sellout to a force which many see as an extension of the outlawed Kurdistan Workers' party (PKK), a militant organisation that has fought the state since the 1980s. As a result, some voters decided to back Erdoğan or Sinan Oğan, a nationalist candidate who took a hard line on the Kurdish issue and did unexpectedly well. Dog-whistle tactics played a role too. Kılıçdaroğlu, who revealed his heterodox Alevi heritage during the campaign, has been exposed to "he is not a real Turk" innuendo.

In the weeks ahead, Erdoğan will capitalise on his momentum. He will lure Oğan's supporters with promises to wipe out the PKK from the south-east as well as in Iraq and Syria. There will be ever more generous offers to the electorate:

> A new term could lead to the president tightening the screws on the opposition

welfare spending, higher wages and pensions, reconstruction in the crisis-stricken regions. Erdoğan will tout Turkey's status as a first-rate regional power in a multipolar world. With the media largely on his side, he could easily pull off yet another victory.

If he does, a new term could see Erdoğan tightening the screws on the opposition. His next goal would be to recover Istanbul and Ankara, two cities AKP lost in 2019, in next year's local elections. And if he wins, this would be Erdogan's last constitutional term as president — unless, like Vladimir Putin in Russia, he were to rewrite the rules to extend his tenure beyond 2028.

Yet a new presidential term would not be an easy ride. The AKP may have concluded that they can muddle through economic crises, despite Erdogan's meddling in monetary policy and the undue influence of clientelism around the presidential palace. Investment from the Gulf and burgeoning exports to Russia, with Turkey refusing to join western sanctions, provides some comfort. But the lira remains vulnerable. Runaway inflation will continue to erode living standards, adding to discontent. High energy prices and post-quake reconstruction will put more pressure on the country's fiscal balance.

Both Putin and Ukrainian president Volodymyr Zelenskyy will have reason to be happy if Erdoğan stays in office. He has strong ties with Moscow and Kyiv and would continue to reap the benefits of being the middleman. There would be some back-and-forth on Sweden's Nato membership but a deal before the alliance's July summit is probably within reach. At the same time, Erdoğan will keep fanning anti-western and anti-US sentiments at home.

A Kılıçdaroğlu victory might have spelt an opening in relations with the EU. However, one by Erdoğan will not necessarily mean friction. In contrast to past elections, this one was not accompanied by rhetorical outbursts against Brussels and core member states. Turkey will depend on EU financial inflows, be it a renewal of the refugee deal next year or reconstruction aid. The EU will count on Erdoğan to keep migration in check and to mediate in Ukraine.

Another five years under Erdoğan might jeopardise democratic rule in Turkey and strain relations with the west. But in the longer term all is not lost. Despite Sunday's result, the opposition and society have shown enough resilience in this election to suggest that there is still life in Turkish democracy.

The writer is author of 'Turkey Under Erdoğan'

Lex.

Twitter: @FTLex

BAT: Jack hits the road

In 2020, British American Tobacco's then chief executive Jack Bowles promised to build a "better tomorrow". He was referring to an expansion of vaping devices and other alternative nicotine products by the maker of Lucky Strike and Camel cigarettes.

There will now be no tomorrow for Bowles at BAT. His four-year tenure was stubbed out yesterday. He is succeeded by Tadeu Marroco, a BAT veteran and group finance director since 2019.

The surprise reshuffle comes less than a month after BAT paid a $635mn penalty to US authorities over North Korean sanctions violations between 2007 and 2017. The penalty was the largest settlement of its kind.

But BAT's heavy focus on ESG — its argument is that it is leading the switch from tobacco to safer nicotine — has not lit up markets for some time.

Under its "Better Tomorrow" strategy, BAT is targeting £5bn in revenue from vapour and other "new category" products by 2025. Sales reached £2.9bn in 2022, 10 per cent of the group total. The new products business will run at a loss until 2024.

The strategy has failed to ignite investor enthusiasm. Since its launch in March 2020, BAT shares have risen 7 per cent, versus a 50 per cent rise in the FTSE 100 index. UK-listed rival Imperial Brands — which in 2021 pivoted back to cigarettes — has gained 44 per cent over the same period.

BAT trades on a forward price earnings ratio of 7 times, below its five-year average. It lags US rivals such as Philip Morris International on 16 times.

Communications with investors under Bowles focused on new products at the expense of things that were actually "going well", according to Panmure Gordon's Rae Maile.

BAT's traditional cigarette business is not without its challenges. It lost market share in the US last year. The disposable income of consumers has taken a hit, prompting them to trade down to cheaper products.

In February, BAT decided not to launch a new share buyback programme. Marroco could score an early win by reversing that decision. Shareholders hoping for a change of direction akin to Imperial Brands — will be disappointed, though. Marroco insisted yesterday BAT was on the "right strategic path". You could theorise that BAT shares help hedge the risk of a fast run-down in smoking. They clearly need far more convincing.

Brookfield/Center Parcs: snap sale

Every holiday has a return date. That time approaches for Brookfield, owner of Center Parcs.

The Canadian alternative assets group plans to sell the UK holiday resorts business for a mooted price of more than £4bn. Not all of Brookfield's holiday snaps will bring back happy memories, especially of empty rooms during Covid-19. But it should still earn a healthy return.

Center Parcs specialises in activity holidays for better-off families. It operates five "villages" in the UK and one in Ireland. It has few rivals at its price point — about £250 per person daily. This represents a rebound to pre-pandemic levels.

Families typically take Center Parcs breaks on top of annual foreign holidays. It is a steady, cash-generative business. However, the company has lately invested in expanding its sites.

As a result, Center Parcs' free cash flow was £117mn for the nine months through to December, down a fifth year on year.

Brookfield has not grown the Center Parcs estate at the rate originally envisaged. Environmental objections killed off a proposal for a new park in West Sussex, south of London. It still plans to add a sixth UK site though and to increase its Irish lodges by 40 per cent to 700.

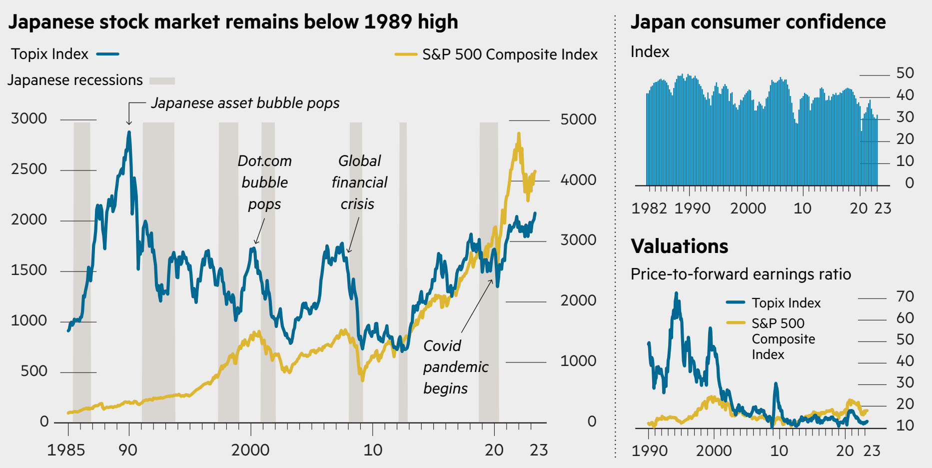
Blackstone took Center Parcs private for £205mn in 2006. It sold it to Brookfield for £2.4bn in 2015.

What would Brookfield make on this latest sale? Center Parcs' UK properties were independently valued at £4.1bn in April so a deal at £4.5bn seems possible. That would equate to an unlevered annualised return of more than 8 per cent. Assuming about 60 per cent debt was used in the original purchase price, that would imply a return of almost four times, or 18 per cent annualised, after interest costs.

Center Parcs has provided a decent payday for its last two owners. The test for a new owner would be to expand faster without diluting the offer — or the returns made from it.

Japan stocks: bubbling over

Japan's stock market is inching closer to the record highs it last hit in the 1980s. The US market has retreated from its 2021 peaks. Valuations in Japan remain subdued, as does consumer confidence, both of which are also below previous record highs.



Sources: Refinitiv; Cabinet Office Japan

In the US, the average bear market historically lasts about 14 months. Stocks return to previous highs three to five years later. In contrast, Japan has waited three decades for its key stock index to revisit its record high of December 1989.

Yesterday, the benchmark Topix index surpassed 2,110 points, nearing its highest level back then.

Fundamentals support further advances. But Japanese investors have painful memories of the 1989 market peak: the bursting of the "bubble economy" followed. It will take nerve and conviction to go higher.

Some gains may be temporary. Investor sentiment rallied as the dollar strengthened last week.

A weaker yen has long been taken as a signal to buy shares in exporters. The value of profits made overseas receive a boost when booked at home.

Other gains will be longer lasting. Pressure to lift returns is bearing fruit.

A long list of local companies have announced large share repurchases, including technology groups Hitachi and Fujitsu. Activism is increasingly common. One example is ValueAct Capital's push for change at Seven & i Holdings, a convenience store operator. A break-up is one possible outcome.

Low valuations are supporting share price rises. The Nikkei 225 Average is up 15 per cent this year but still trades below its 10-year average, on a forward earnings basis.

Retail investors may yet prove to be the main hurdle for the recovery of the local market. They remain haunted by the memories of the bursting of the asset price bubble in the 1990s.

This disillusioned many Japanese people proud of the country's export success and the wealth it had created. Fortunes evaporated overnight.

"Lost decades" of stagnant growth followed. Rallies have been shortlived during bull runs, leading to years of range-bound trading.

In 2013, for example, local investors dumped almost $70bn of stocks when indices showed signs of breaking out of their trading ranges. This was despite strong earnings. For the rally to continue this time, Japan needs to remember that today's multiples are modest compared with the crazy levels of 1989.

Fincantieri: ocean waived

A rising tide lifts all ships, they say. But higher military spending is no help to shipbuilders in the middle of a land war. This explains the apparent anomaly of Fincantieri, which reported improving orders last week. The Italian group makes naval vessels as well as cruise ships. Its shares are flat despite a rise of about a third for most European defence stocks over a year.

Call it pragmatism, or dismiss it as recency bias. But the Ukraine war has underlined the primacy of land-based systems, such as Rheinmetall tanks, in a European conflict. Ukraine's sinking of Russia's Black Sea flagship has emphasised the vulnerability of expensive warships to modern missiles.

Navies are only expected to receive a trickle from the wave of defence spending. Even so, Fincantieri's European multipurpose frigate has a good chance of winning further orders. The venture teams Fincantieri with French rival Naval. The ships already operate in both countries' navies. Fincantieri is hoping to build more as Italy muscles up in the Med. The US has also chosen the vessel for its new series of guided-missile frigates.

Additional orders for corvettes and submarines mean naval revenues should increase to two-fifths of total by 2027, up from nearly a third last year. But equipping ships with warfare systems and arms gives better returns, points out Sash Tusa of researcher Agency Partners. Hulls account at most for about half the value of a ship.

Fincantieri has also taken write-offs for its big cruise ship business. The group's net debts are forecast to hit seven times ebitda by the end of this year. The shares trade at half the 20 times forward earnings multiple of the European defence sector.

Investors are often accused of piling into any stocks connected to a hot trend. European armaments stocks tell a different story. Combating and containing Russian expansionism calls for investment in projectiles and land artillery to fire them, not fancy ships and aircraft.

Oneok/Magellan: pipe dream

US pipeline companies are the bass players in oil industry rock bands: steady plodders, rather than starry shredders such as ExxonMobil and Chevron. Now scarcity has thrown a spotlight on their value, intensified by Oneok's recommended offer for Magellan Midstream Partners at an enterprise value of $18.8bn.

Regulatory barriers and legal challenges to new pipelines make existing ones attractive. By buying Magellan for cash and stock, Oneok would become one of the largest US oil and natural gas pipeline operators.

The success of the deal hinges on bullish assumptions and tax benefits. Oneok's offer — made up of about $8.8bn in equity and $5bn in cash — represents a 25 per cent premium over Magellan's three-month average unit price. "Synergies" could be as much as $400mn a year, Oneok says. That would be worth about $3.2bn taxed and capitalised, covering the premium that Oneok is paying.

There is little overlap from which to cut costs. Oneok transports natural gas and its byproducts. Magellan moves crude oil and its derivatives. Oneok cannot use Magellan's oil pipelines to tap new markets for its natural gas and vice versa. This suggests efficiencies would mostly come from office and staff overheads. The two companies had about $800mn in general and administrative costs. Even if you cut that down by 25 per cent, it would only yield $200mn of cost savings.

However, Oneok will get a valuable tax benefit from the transaction, which it values at about $3bn.

Like Oneok, Magellan's business is largely fee-based. Pipeline usage fees are based on volume and tend to be locked in fixed contracts. This insulates operators from volatile hydrocarbon prices, reducing their risks.

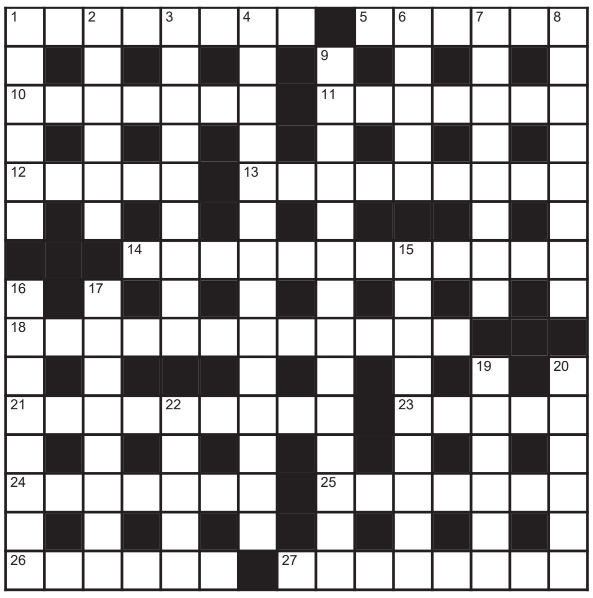
Combined net debts would be about four times trailing ebitda, according to S&P Capital IQ data. That is hardly excessive. But an 8 per cent drop in Oneok's share price yesterday points to justifiable nerves among shareholders.

FT Lex on the web
For notes on today's stories go to www.ft.com/lex

NIKKEI Asia The voice of the Asian century

CROSSWORD

No 17,416 Set by PETO



ACROSS

1 Celebrity limits retiring astronaut (8)
5 Number six starts to rant guiltily at the Italian linesman (6)
10 Expert essentially protected by new apron in theory (2,5)
11 Left remaining ladder in area beyond airstrip (7)
12 Taunt, reportedly swallowing last of pear drops (5)
13 Undisturbed by story about feminine type of painting (5,4)
14 Gain control over city capturing rebel leader of coup (12)
18 Become widely discussed online during trial causing great distress (12)
21 Undertaking, in French, to quickly read boxing article (9)
23 Put forward by a left-leaning teller of stories (5)
24 Working OK (2,5)
25 Make lively Hindu queen run off with ship's officer (7)
26 Kind of soldier wearing shades for the most part (6)
27 Extremely delicate repair of leather around end of banquette (8)

DOWN

1 Track lacking nothing by extremely trendy Spice Girl (6)
2 Come into use as American soldiers turn up without protection against disease (6)
3 Die to have Adams' earliest books on space by the way (2,7)
4 Applying to all provision of meals after cook chats with Rose (6-3-5)
6 Most suitable stuffing inside already (5)
7 Bishop in Georgia is against making place fortified (8)
8 Say nothing in return about daughter's delayed departure (8)
9 Flyer showing various retro bread bins (5,9)
15 Entice frustratingly awkward Titans with ale (9)
16 Like Uriah perhaps after son's feeling embarrassment from shame (8)
17 Chinese lawyer primarily looking into death of textile producer (8)
19 Landed property in the middle of Donegal say (6)
20 Fellow, under pressure, putting on a monkey suit (6)
22 Camus oddly dismissed study by poet (5)

JOTTER PAD

Solution 17,415

You can now solve our crosswords in the new FT crossword app at ft.com/crosswordapp

Get the business insights you need to succeed in Asia
Visit asia.nikkei.com